

FRANCHISE DISCLOSURE DOCUMENT



WESTSIDE PIZZA INTERNATIONAL INC.

a Washington corporation

8515 W. Overland Road

Boise, ID 83709

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<http://www.westsidepizza.com>

As a Westside Pizza® franchisee, you will operate a restaurant specializing in carry-out, dine-in and delivery of pizza.

The initial investment necessary to begin operation of a Westside Pizza® franchised business ranges from \$129,150 to \$397,750. This includes the \$12,500 to \$25,000 that must be paid to the franchisor or its affiliates. To reserve a territory for multi-unit area development, the up-front fee is \$25,000 for the first unit to be developed and \$12,500 for each additional unit to be developed.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Rodney Nelson at 8515 W. Overland Road, Boise, Idaho 83709 and rodneynelson@westsidepizza.com.

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

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

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

Issuance Date: April 6, 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:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “C.”
How much will I need to invest?	Items 5 and 6 list fees that 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 “B” 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 Westside Pizza® 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 Westside Pizza® franchisee?	Item 20 or Exhibit “C” 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 “D.”

Your state may also 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 Utah. 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 Utah 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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Receipts

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor. To simplify the language in this disclosure document “WPI,” “we,” “us,” or “our” means Westside Pizza International Inc., the franchisor. “You” or “your” means the person or persons, including current and future legal entities and their owners, that buy the franchise.

Westside Pizza International is a Washington corporation formed on December 15, 2011. Our principal business address is 8515 W. Overland Road, Boise, Idaho 83709. Our agents for service of process and their addresses are listed in Exhibit “D-1.”

Predecessors, Parents, and Affiliates. Our predecessor is Jason West Enterprises Inc. d/b/a Westside Pizza (“JWE”). Jason West opened the first Westside Pizza outlet as a sole proprietor in January 1996. JWE was a Washington corporation formed on July 19, 2005 to franchise pizza restaurants under the name Westside Pizza. JWE offered similar franchises from April 2006 through December 31, 2011. JWE was the franchisor for those franchisees who signed Westside Pizza franchise agreements prior to December 2011. These “legacy” franchisees still operate under the Westside name and have been assigned to us but do not operate under our franchise agreement. JWE did not offer franchises in any other line of business. We no longer have any affiliation or business dealings with JWE or its owner, Jason West, and JWE was administratively dissolved in the state of Washington on November 1, 2012. When active, its principal place of business was 34492 Hood Canal Dr. NE, Kingston, Washington 98346.

There are no other parents, predecessors or affiliates required to be disclosed in this item.

Franchisor Business Activities. We do business under the name of “Westside Pizza,” and under our entity name. We have offered similar franchises since January 2012. We have affiliates that operate businesses of the type being franchised and have since January 2012. WPI is not engaged in any other business activities. We have not offered franchises in other lines of business, and do not presently intend to do so.

Franchisor’s Business and Franchises to be Offered. We license and train others to operate Westside Pizza® businesses. As a Westside Pizza® business, you will operate a restaurant specializing in carry-out, dine-in and delivery of pizza. The grant of a franchise authorizes you to engage in our complete system under the name Westside Pizza® and other proprietary marks. Our system includes, among other things, confidential manuals, methods, standards, recipes, menus, know-how, and other confidential business information, procedures, specifications and services as we may develop. As a Westside Pizza® franchisee, you will have the opportunity to use the Westside Pizza® system only at a specific location within your territory.

You are required to purchase specific materials, supplies and equipment and to strictly follow our standards, methods, policies and procedures in the operation of your franchise business, that are described in more detail in our franchise agreement attached as Exhibit “A” to this disclosure document.

You also may enter into an area development agreement with us for the development of additional franchise units (see Exhibit “G”). The size of the territory, the number of units to be developed and the development schedule are negotiable. You will be required to sign our then-current franchise agreement for each unit as developed, which terms may differ from the current franchise agreement included with this FDD. Unless specifically stated otherwise, the disclosures for a multi-unit are the same as for a single unit.

General Description of Market and Competition. The general market for your products or services is competitive and well-established. You will compete with national and local businesses offering similar products and services. Your competition will include any pizza delivery, pizza dine-in or carry-out and bake restaurant in your delivery area, including grocery stores, as well as other restaurants and food service

providers. You may also encounter competition from other Westside Pizza® franchises operated by us or other franchisees outside your territory.

Laws and Regulations. You are required to follow all laws and regulations that apply to business generally as well as federal, state, and local health and consumer protection laws and other regulations and guidelines governing the food service industry. The Food and Drug Administration, the United States Department of Agriculture and food industry organizations, including the national Restaurants Association have established rules affecting this industry. To operate your franchise, you or one of your employees must have a current food handler permit/license, and some states required a manager to have a food safety manager certification.

If you serve alcoholic beverages as part of your business, you will be required to obtain a beer and wine or liquor license. You will be responsible for obtaining all necessary licenses and permits, and you have to know the laws and regulations governing the sale of these items including: minimum age restrictions for purchasers and employees who sell these products, special training requirements, and regulations on the hours of sales for these products. You may be required to obtain additional insurance coverage which may increase your insurance premium payments.

You must investigate local zoning rules because they may limit where you can locate your franchise business and may affect the design features including the building façade and signs. In many jurisdictions, you will also be required to obtain a sign permit. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements; however, we reserve the right to approve of the vendor you use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse us for the audit if you are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, such as security threats, breaches, and malware. It is your responsibility to alert us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect customer data and notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information. You are further prohibited from charging customers any credit card, merchant processor, or similar processing fees.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost to operate your business. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city, or town.

Item 2

BUSINESS EXPERIENCE

Rodney Nelson - President and Franchisee Recruitment and Relations Manager. Rodney has been our President since February 2017. From December 2011 until January 2017, he was our Vice President and a Franchisee Recruitment and Relations Manager. He was a co-owner of the Westside Pizza outlet in Colfax, Washington from June 2007 to December 31, 2011, and the co-owner of the Westside Pizza outlet in Chelan, Washington from July 2008 through January 31, 2017.

Aaron Kuhn - Vice President of Operations. Aaron has been our VP of Operations since February 2016. From October 2015 to February 2016, he was a Department Lead of the Boise, Idaho Kmart, and from November 2012 to October 2016, he was the General Manager of a Pizza Hut located in Boise, Idaho.

Aaron Olson - Secretary and Training Manager. Aaron has been our Secretary and an Operations Manager since our inception in December 2011. He was a co-owner of the Westside Pizza outlet in Colfax, Washington from June 2007 to December 31, 2011, and the co-owner of the Westside Pizza outlet in Chelan, Washington from July 2008 through January 31, 2017.

Jeff Roberts – Development Manager. Jeff joined Westside Pizza International Inc. in January 2021 to oversee development of franchise units. He was the original owner of the Yakima, Washington. Westside Pizza from November 2015 to July 2018. Jeff has also opened and operated two other full service restaurants with a different franchise model.

Item 3

LITIGATION

State of Washington. On June 19, 2012, our predecessor Jason West and JWE entered into *Consent Order S-12-0956-12-CO01* with the State of Washington, Department of Financial Institutions, Securities Division (the “Division”). The Division alleged that JWE offered and sold Westside Pizza franchises after its Washington franchise registration expired in April 2007 and without providing its purchasers with a disclosure document. JWE and Jason West, without admitting or denying the Division’s findings of fact or conclusions of law, agreed in the Consent Order to cease and desist from the offer or sale of franchises in violation of the Franchise Investment Protection Act of the state of Washington, to reimburse the Division \$2,000 for its costs of investigation of the matter, and to waive their rights to a hearing and judicial review of this matter.

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

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee. You must pay us a lump sum payment of \$25,000 when you sign the franchise agreement. For veterans of the United States military who were honorably discharged and provide us with a copy of DD214, we will discount the initial fee by \$5,000 for the first unit developed.

Additional Franchise Purchases. For existing franchisees that purchase a second or subsequent franchise, we will discount the initial fee to 50% of the then-current fee charged to new franchisees.

Westside Pizza Manager Incentive. If you have managed a Westside Pizza® outlet for at least one year, and that outlet used the Revel POS system for at least 90 days while you managed that location, and you otherwise meet our program requirements, then we will discount the initial fee to \$20,000, and we will provide you with \$10,000 towards the purchase of a Revel POS system. We also provide certain incentives for those franchisees who have a manager leave to purchase a Westside Pizza®.

Initial Training Fee. There is no training fee for up to three attendees. We allow additional people to attend a fee of \$60 per hour, per attendee.

Area Development Agreement. If you enter into an area development agreement, the initial franchise fee for each unit to be developed after the first unit is \$12,500. The first unit is \$25,000. You must pay an upfront development fee of \$25,000, plus \$12,500 for each unit to be developed, which is credited towards the initial franchise fee of each franchise as developed. You must sign the then-current franchise agreement as each unit is developed. Failure to develop in accordance with the development schedule will result in forfeiture of your rights and any payments made to us.

Uniformity and Refunds. Except as may be stated in this Item 5, each of the initial fees listed above is uniformly imposed, payable in one lump sum, and non-refundable for all franchisees.

Item 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty	4% of gross sales	Weekly by ACH payment	See Note 1.
Marketing Fund Fee	Up to 1% of gross sales, but not less than \$1,000 per month, or such lesser amount as we specify	At the same time and manner as the Royalty	See Note 1.
Advertising Cooperative	Up to 1% of gross sales, payable to the co-op if established by us	Payable in accordance to the marketing cooperative's governing documents if a marketing cooperative is established by us	If we form a local marketing cooperative in your area, any marketing expenditures you make through the cooperative is credited towards fulfilling your local advertising obligation.
Franchisee Local Marketing	The lesser of 2% of gross sales or \$2,000 per month.	Quarterly	Once an advertising or marketing fund is established this amount will be reduced to 1% or \$1,000.
Franchise Agreement Transfer fees	\$4,500	Before occurrence of transfer	Payable when you sell your franchise or offer securities.
Trade Area Adjustment Fee	50% of our then-current initial franchise fee	Prior to adjustment	We have the right to adjust the boundaries of your territory if the population in your territory increases by 80% or more. In such instance, we will grant you a right of first refusal to acquire franchises within the territory lost due to the adjustment for a fee equal to 50% of our then-current initial franchise fee.

Name of Fee	Amount	Due Date	Remarks
Transfer Fee for Transfers of Less Than 60% Ownership or Control (cumulative during the term)	Our legal fees and administrative costs related to the transfer	On demand	If you sell only a non-controlling and minority interest (40% or less) in your entity, then there is no transfer fee, but you are required to cover our reasonable costs associated with the transfer. All guarantors will remain guarantors unless otherwise released by us. Subject to state law.
Area Development Agreement Transfer Fees	\$10,000, plus \$4,500 for each franchise agreement	Before occurrence of transfer	Payable when you sell your area development agreement or offer securities. Subject to state law.
Successor Franchise Fee	\$1,000	Before expiration of current franchise agreement	A condition of renewal to offset expenses incurred in connection with successor franchise
Relocation Fee	\$4,000	Upon approval by us of the relocation of your retail outlet	A condition of relocation.
Late Payment Fee	Currently the fees are: \$50 per day for each late payment and \$50 per day for each late report, plus a fee of 1% of gross sales for the most recent full month	Upon due date of fees	See Note 2 and 3.
Interest on Late Payments and Reports	18% interest or maximum rate permitted by state law, whichever is less	Payable with royalty or on demand	Interest begins to accrue after the due date of any required payment or report.
Non-Sufficient Fund Fees	\$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	Or maximum allowed by state law (see state specific addendum).
Delivery Territory Right of First Refusal Fee	50% of our then-current initial franchise fee	Prior to acquiring the adjusted delivery territory	See Note 5.
License Line Fee	Then-current initial franchise fee	Upon signing	This option is only for existing franchisees in good standing. You will have the non-exclusive right to obtain an option to acquire additional Westside Pizza® units in a specified territory. The option is based on first

Name of Fee	Amount	Due Date	Remarks
			come first serve and will last for 10 years unless terminated earlier.
Tax Reimbursement Fee	Sum equal to tax imposed	Upon demand	You will reimburse us for any gross receipts, sales, use, withholding, or other tax assessed on amounts payable by you to us, by state or local governments. You pay us or the taxing authority a sum equal to the amount of such tax. Any tax paid to us will be paid when due to the taxing authority.
System Non-Compliance Fines and Charges	1% royalty increase	As incurred	See Note 7.
Insurance Procurement Fee	Varies	Upon demand	You are required to hold and maintain your own insurance, but in the event you fail to do so, we have the right to obtain insurance on your behalf, and you are required to reimburse us the premium payments.
PCI and DSS Audit Reimbursement Fee	Varies	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.
Additional Attendees at Initial Training	\$60 per person, per hour	Before training	Payable if you have more than three attendees at the initial training.
New Operating Principal or Management Training	\$60 per person, per hour	Before training	Any new operating principal or managers must complete the initial training program before taking over as operating principal or manager. You will be required to pay all associated travel, food, and lodging associated with such training.
Additional In-Person Training or Assistance	\$60 per hour	Upon billing which can be during training	See Note 4.
Conference or Seminar Fee	Varies, currently \$0	At the time of registering for the conference or seminar	At this time there is no fee, but we may impose one in

Name of Fee	Amount	Due Date	Remarks
			the future, which you must pay.
Audit Fees	Cost of Audit	Upon billing after audit	Payable only if you fail to report or the audit shows an understatement of at least 2% for the time period audited, or records are unorganized or unavailable.
Compliance Inspection Fee	\$60 per hour	Upon billing after inspection	Payable if you fail any inspection and we determine a need to conduct a re-inspection for compliance.
Interim Management Fee	\$400 per day per representative	Time of service	See Note 6.
Evaluation of Supplier Approval Fee	No fee unless we use a third-party, in which case you pay all fees incurred by the third-party.	Upon invoicing or demand by the third party	Payable only if we use a third-party testing company
Customer Gift Card Reimbursement Fee	Reimbursement amount, plus a fee to us of up to \$300	As incurred and upon demand	Payable if you fail to refund all customer gift card and gift certificate amounts upon termination or transfer of your franchise business. Subject to state law.
Dispute Resolution Fees	Varies	As incurred or on demand	You are required to pay half of the mediation and/or arbitration fees. The prevailing party will be entitled to reimbursement of its legal fees and expenses.
Fees on Default	Attorney's fees, costs, interests and audit costs	On demand, as incurred	Paid in addition to other payments to us
Early Termination Liquidated Damages	Varies	Upon your termination of the franchise agreement	See Note 8.
Failure to Make Premises Available Post-Termination	\$2,500	As incurred	See Note 9.
Indemnification Fee	Varies	As incurred or on demand	See Note 10.

Except as stated above, you pay all fees to us. All fees are non-refundable and all fees are uniformly imposed on all franchisees except that certain franchisees pay a reduced royalty. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

Note 1: “Gross sales” is defined in the franchise agreement as “the total of all sales of all products, goods or services sold, traded, bartered, or rendered by you and income of every kind and nature including the value of a trade or other bartering, delivery, or off-site sales of Westside Pizza® products, arising from your franchise business and tangible property of every kind sold by you during the term of the franchise agreement and without reserve or deduction for inability or failure to collect. Gross Sales excludes bona fide credits and returns for products and excludes amounts paid by you for sales or use taxes on the sale of any products or services.

At all times you must maintain a minimum of \$4,000 in your operating account even after royalties have been paid.

The royalty begins the first day that you begin business and continues throughout the duration of the franchise. Certain franchisees with older franchise agreements pay a different royalty rate, including on any subsequent franchises purchased. The royalty is currently payable weekly by ACH payment, but we can change the time and the manner of payment. We may automatically access your ACH account for any payment due to us, including post-termination fees. You cannot close or terminate any EFT account without receiving our prior written consent.

Note 2: The late payment fee is charged for any payment not received by the Friday of each week for the prior week’s royalties. At our option, we may also charge 1% of gross sales for the most recent full month for non-compliance. We will not charge beyond any legal maximum.

Note 3: You must submit to us the following reports by the following due dates.

TYPE OF REPORT	DUE DATE	REMARKS
Gross Sales Report	Daily	This report is generated on the sales reporting site and must be made available to us at all times. This report must include the day’s sales showing all monies received or accrued, sales or other services performed and such other information concerning your financial affairs, as we may reasonably require.
Financial Statements	The 20th day of each month	Must be in the format and include the line items as required by us and prepared by Fran Metrics or other source as may be required by us.
Local Marketing Report	If we request this report, it will be due the 10 th day of each month for the prior month’s advertising expenditures	This report must detail your expenditures for local marketing in the form we require.
Sales Tax Report	Quarterly, by the 15 th day of the following quarter	
State Tax Return	Within 30 days of the filing due date	
Federal Tax Return	Within 30 days of the filing due date	
IRS Form 941 (Employer’s Quarterly Federal Tax Return)	Within 30 days of filing due date	

Note 4: Depending on availability and advanced written notice, if you would like additional in-person training, we may provide this training to you. We have the right in our sole discretion to limit additional training to four days at a time. You must pay the travel, lodging, food, and other expenses of your attendees or our

representatives during this additional training or assistance. We can require you to attend refresher training classes if you do not pass our inspections or otherwise determined by us in our sole discretion. If the training is provided by a third-party, the rate is set by them and may exceed \$60/hour.

Note 5: We have the right, in our sole discretion, to reduce your delivery area for quality control purposes. In the event of a delivery territory reduction, you will receive a right of first refusal to purchase an additional delivery territory.

Note 6: Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, if you are not in compliance, or if we elect to purchase your franchise at a time allowed under the franchise agreement to prevent harmful interruption of business. You must also pay the food, travel, lodging, and other expenses for our representative(s) and other expenses which may be incurred by us to perform such services, plus royalties, advertising fees and other applicable fees.

Note 7: As an alternative to placing you in default, we have the option to issue you a fine equal to a 1% increase in royalties for certain violations of the franchise agreement and or manuals. If you do not correct the violation in a timely manner, we have the right to put you in default. In addition, in the event you fail to cure any default in the time specified, your royalty will increase by 1% for the remaining term of the franchise agreement.

Note 8: In the event your franchise agreement is terminated early for any reason, you agree to the following formula as a compromise. Liquidated damages will be equal to the higher of \$50,000 or 60% of your highest monthly royalty payments prior to termination multiplied by the number of months remaining on your franchise agreement. For example, if the highest royalties paid in a month during the term of your franchise agreement were \$3,000 and there were 36 months remaining on the term of the franchise agreement, our liquidated damages would be \$64,800 ($\$3,000 \times 60\% \times 36 = \$64,800$). In addition, you will be responsible for reimbursement of all reasonable attorneys' fees and costs associated with collecting liquidated damages.

Note 9: If upon termination or expiration of your franchise agreement we elect to operate the franchise business in the same location, you are required to make the premises location accessible and available to us. If you fail to do so, you will be required to pay to us a fee of \$2,500.

Note 10: You must indemnify us from any losses, liabilities, damages, costs and expenses whatsoever, including reasonable attorney's fees arising out of or related to, or in any way connected with you or your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities.

Note 11: If a fee is subject to increase by us (rather than a third party), the increase will not be more than the equivalent of 5% per year during the term of your franchise agreement. This only applies to fees that are subject to change by us. If we do not designate that a fee is subject to change, the fee will remain the same during the term of the franchise agreement.

Item 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	Approx. \$12,500 to \$25,000	Lump sum	On signing the franchise agreement	Us
Travel and Living Expenses during Training ²	Approx. \$1,000 to \$3,000	As incurred	As incurred	Third parties
Real Estate Improvements; Fixtures ³	Approx. \$27,500 to \$122,500	As incurred	As requested by contractors	Contractor, architects, suppliers
Rent ⁴	\$7,500 to \$37,500	As incurred	As negotiated	Landlord
POS System, Hardware and Software ⁵	Approx. \$12,000	As incurred	As negotiated	Suppliers
Bookkeeping and Fran Metrics Setup ⁶	\$250 to \$350	As incurred	As negotiated	Suppliers
Equipment and Small Wares ⁷	Approx. \$35,000 to \$138,000	As incurred	Before opening	Suppliers
Initial Inventory and Supplies ⁸	Approx. \$7,000 to \$12,000	As incurred	Before opening	Suppliers
Miscellaneous Opening Costs ⁹	Approx. \$2,400 to \$3,400	As incurred	Before opening	Government agencies and other third parties
Marketing ¹⁰	Approx. \$8,000	As incurred	Before opening	Third parties
Signage ¹¹	Approx. \$3,500 to \$10,000	As incurred	Before opening	Third parties
Printing ¹²	Approx. \$2,500 to \$6,000	As incurred	Before opening	Third parties
Additional Funds ¹³	\$10,000 to \$20,000	As incurred	Expended over approximately the first three months of operation	Employees, professionals, utilities, suppliers, etc.
TOTAL¹⁴	Approx. \$129,150 to \$397,750			

NO FEES ARE REFUNDABLE EXCEPT AS DESCRIBED IN ITEM 5, AND ALL MUST BE PAID IN A LUMP SUM AS INCURRED AND WILL NOT BE FINANCED UNLESS OTHERWISE STATED.

Note 1: Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee (see Item 10). For veterans of the United States military who were honorably discharged and provide us with a copy of DD214, we will discount the initial fee by \$5,000 for the first unit developed.

Note 2: Training Travel & Living Expenses. The range is per person at training. You are responsible to pay all travel, living, and other associated training expenses for your attendees during training, directly to the supplier.

We estimate that you will have three people attend training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, transportation and meals.

Note 3: Real Estate Improvements; Fixtures. You may choose to spend more for leasehold improvements, but this is not normally recommended and is not included in the estimates. These sums do not include any sums for purchase of real property, as it is not anticipated that you will purchase real property. Costs of commercial property or leases and improvements vary widely based on location, terms of lease, total area of your space, as well as construction material and costs. We provide standard plans and specifications for construction and improvements. You should review these costs with a local contractor, commercial real estate agent and other professionals. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above, but we estimate the cost of your build out to range between \$14 and \$107 per square foot.

Note 4: Rent. The range is the estimated lease amount for the first three months of your lease. Your space will vary depending on your needs, but we estimate you will need between 1,500 (for take-out/delivery only units) and 2,500 square feet (for units that include a sit-down area). The average cost to lease space is \$28/sq. ft., with the general range of \$20-\$30/sq. ft. but can be as high as \$60 per square foot per annum. The high and low presented above are based on the \$20 to \$60/sq. ft. range. Our estimates in this table assume you pay a security deposit equal to 1-month's rent, and that you begin paying rent when (or shortly before) you open for business. For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. We expect that you will rent your location.

Note 5: POS System, Hardware & Software. For more information about your POS system, computer, hardware, and software requirements see Item 11.

Note 6: Bookkeeping and Fran Metrics Setup. You are currently required to use QuickBooks online and to use Fran Metrics to set up your QuickBooks account and the Fran Metrics reporting system. There is an additional required monthly fee (currently \$60 per month payable to Fran Metrics) for maintenance of the reporting system that is not included in this figure. The low cost assumes you will not use Fran Metrics for ongoing bookkeeping services and is the fee solely to set up QuickBooks online and the Fran Metrics report accounts. You are not required to use Fran Metrics for bookkeeping. The high cost assumes you will use Fran Metrics for bookkeeping and includes the equivalent of one month's bookkeeping fee of \$360; this fee includes the QuickBooks and Fran Metrics reporting setup costs.

Note 7: Equipment & Small Wares. This category estimates costs for ovens, mixer, pizza make table, tables, chairs, dish washer, coolers, freezer, sinks, shelving, small wares, oven hood system, slice warmers, security system, and information processing and communications systems described in Item 11.

Note 8: Initial Inventory and Supplies. The inventory category includes pizza ingredients, beverages, packaging, cleaning supplies and paper products.

Note 9: Miscellaneous Opening Costs. These miscellaneous costs include legal fees, utility costs, business entity organization expenses, employee training, deposits, insurance and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, and other professionals to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

Note 10: Marketing. This estimates the cost of advertising for the first three months after opening. Most advertising and marketing expenses are incurred after opening. We use a “soft opening” approach which means you will not advertise until you and the staff are prepared for the generated business.

Note 11: Signage. At least one exterior sign displaying the trademark and one interior sign is required. These signs may be made locally. All signs must conform to our specifications. All purchase agreements or leases must be negotiated with your suppliers. You must use the location’s monument sign if available.

Note 12: Printing. You are required to obtain certain printed items for use in the franchise business prior to opening.

Note 13: Additional Funds. This estimates your operating expenses during your first three months of operations, not including cash flows. You must at all times maintain a minimum of \$4,000 in your operating account even after royalties have been paid. Employee compensation is between you and your employees and may vary widely. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience of our principals and franchisees to compile these estimates.

Note 14: Total. These figures are estimates for the development of one franchise unit, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in this Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment and payments are not refundable by us. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases. You must operate your franchise according to our system, including purchasing or leasing certain items or services according to our specifications or from approved suppliers. You must not deviate from these methods, standards and specifications without our prior written consent. None of our officers, owners or managers owns an interest in any designated suppliers.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals.

Item or Service	Is the franchisor or an affiliate an approved supplier of this item?	Is the franchisor or an affiliate the only approved supplier of this item?
Food supplies and ingredients	No	No
Large equipment	No	No
Beverages	No	No
Security Camera	No	No
Branded/Logoed items	No	No
Computer & POS System	No	No
Merchant Services	No	No
Gift Cards	No	No
Payroll	No	No
Accounting and Reporting Management	No	No

We may also require you to purchase advertising materials only from approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from sources approved by us.

Insurance. You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A” or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time in our sole discretion:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate, or leasehold minimum, whichever is greater
Property insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage. In the event of damage to your premises covered by insurance, the proceeds of any such insurance must be used to restore the facility to its original condition as soon as possible (not more than 160 days) unless we consent otherwise in writing.
Commercial automobile insurance	At least \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Business interruption insurance	\$1,000 per day
Employment practices liability insurance	\$1,000,000
Liquor legal liability or “dram shop” insurance	\$2,000,000 per occurrence
Umbrella insurance	\$3,000,000
Government required insurances	You must maintain and keep in force all worker’s compensation and employment insurance on your employees that is required under all federal and state laws.

These policies must name us, and our officers, directors and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the franchise business. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. All insurance policies must be issued by an insurance company licensed to do business in the state where your restaurant is located. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Our insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain insurance or fail to maintain the same in full force and effect, we may obtain insurance for you at our discretion, and you will pay us the premium costs upon our demand. You must also procure and pay for all other insurance required by state or federal law. We may periodically increase the amounts of coverage required and/or require different or additional coverage. We do not derive revenue as a result of your purchase of insurance.

Approved Suppliers. We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you will be required to purchase items or services from approved suppliers.

All approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications.

Our suppliers will make payments to us based on purchases made by our franchisees. These payments may be in the form of commissions, promotional fees, advertising allowances, rebates, our annual convention promotions, or other payments. The total amount of such payments is described below.

Revenue to Us and Our Affiliates from Required Purchases. We and our affiliates do not currently but may in the future derive revenue, profit, or markups from sales or leases to you for goods or services that we or our affiliates supply. The amount of revenue, if any, will cover our corresponding costs and expenses incurred in procuring or producing the goods and services. In the last fiscal year, our revenues from the sale of these products and services to franchisees from third party vendors was \$342,830 or 39% of our total revenues of \$875,292. In the last fiscal year, we did not receive any revenue directly from franchisees for the purchase of these products or services.

We currently receive a \$0.06 per pound rebate from our supplier for certain meats purchased by our franchised locations. We receive a 2% admin allowance, .5% ACH incentive, .25% WSP Convention allowance from our approved food vendor for qualifying purchases made by our franchisees. We receive a \$.50 per case rebate from Tyson foods, our wing supplier. We are a member of a purchasing group called CSM Cost Solutions and receive an average of \$3,000 per month in rebates. We receive from our designated flour supplier a \$1.00 rebate per bag of flour purchased. We receive from our designated beverage supplier an annual \$4,500 promotional Allowance, \$250.00 new store opening incentive, and a rebate of \$0.50 per case of 2-liter bottles purchased, and \$1.75 per gallon of fountain drink mix purchased. We receive a \$.05 per pound rebate from Lactalis, our cheese supplier.

We estimate the proportion of required purchases or leases will be 70 to 90% of your total initial purchases. During the operation of the franchised business, required purchases or leases from us or our affiliates, or that we specify or approve are estimated to total 20 to 60% of your annual operating expenses.

Computer / Point of Sale Systems. You must purchase or lease a point of sale (“POS”) system and a computer system from a designated supplier (see Item 11 for more details).

Unapproved Suppliers. We base our specifications and product and supplier approvals on our discretionary determination of quality, value and appearance. There are no written criteria for supplier approval. We must approve all of your supply sources in writing before their use. We may require suppliers to provide certain information, sign a non-disclosure agreement, guarantee our level of quality, and produce sufficient samples to allow us to test the sample at your expense. If you request us to approve a new supplier, there is no fee for supplier approval unless we require third-party testing, in which case you will pay the actual cost of the tests. Any testing fee is not refundable regardless of whether or not we approve of a supplier. We will respond to a written request to approve a supplier within a reasonable time, normally 30 days of its receipt. At our discretion, we may revoke our approval from an approved supplier upon 30 days’ written notice to you.

Standards and Specifications. We issue specifications and standards to you for applicable aspects of the franchise in our manuals and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose).

Negotiated Arrangements. At this time there are no franchise purchasing or distribution cooperatives. We price compare with vendors and attempt to negotiate purchase arrangements with suppliers for the benefit of franchisees.

Benefits Provided to You for Purchases. We do not provide material benefits to franchisees based on the franchisee's purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises based on your purchases).

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. References are to the Franchise Agreement unless otherwise specified.

	Obligation	Section in Franchise or Other Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 4.1 and 4.2 of franchise agreement	Item 11
b.	Pre-opening purchases/leases	Section 4.4 and paragraphs 6.1.3, 6.1.11 and 6.1.13 of the franchise agreement	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Sections 4.3 and 4.4 of the franchise agreement	Items 7 and 11
d.	Initial and ongoing training	Paragraphs 6.1.4 and 6.1.5 and sections 7.3 and 7.4 of the franchise agreement	Item 11
e.	Opening	Sections 4.4 and Paragraph 7.3.1 of the franchise agreement	Item 11
f.	Fees	Article V and Exhibit "A-3" of the franchise agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Manual	Section 6.2 and Article IX of the franchise agreement	Items 8, 11 and 16
h.	Trademarks and proprietary information	Article III of franchise agreement	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII of the franchise agreement	Items 8 and 16
j.	Warranty and customer service requirements	Paragraph 6.1.2 and section 8.5 of the franchise agreement	Item 11
k.	Territorial development and sales quotas	Exhibit "A-1" of the franchise agreement	Item 12
l.	Ongoing product/service purchases	Article VIII of the franchise agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.9 of the franchise agreement	Item 11
n.	Insurance	Paragraph 6.1.11 of the franchise agreement	Items 7 and 8
o.	Advertising	Article X of the franchise agreement	Items 6, 7 and 11
p.	Indemnification	Section 15.2 of the franchise agreement	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.7, 6.1.8, 6.1.10 and 6.2.3 of the franchise agreement	Items 11 and 15

r.	Records and reports	Sections 5.4 and 5.5 of franchise agreement	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iv) of the franchise agreement	Items 6 and 11
t.	Transfer	Article XIV of the franchise agreement	Item 17
u.	Renewal	Section 2.2 of the franchise agreement	Item 17
v.	Post-termination obligations	Section 12.1 of the franchise agreement	Item 17
w.	Non-competition covenants	Article XVI of the franchise agreement	Item 14, 15 and 17
x.	Dispute resolution	Article XVII of the franchise agreement	Item 17
y.	Compliance with government regulations	Sections 4.1 and 4.3 and paragraph 6.1.1, 6.1.10, and 12.1.13 of the franchise agreement	Item 12
z.	Guarantee of franchisee obligations	Paragraph 6.3.1 of the franchise agreement	Item 15

Item 10 **FINANCING**

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

Item 11 **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

Our Obligations Before You Open. Before you open your business, we will:

- 1) Designate your trade area, if applicable (Section 1.1, Franchise Agreement).
- 2) Approve of your site. We do provide some assistance to you in locating a site for your franchised business. You must use our preferred commercial broker in conjunction with any local broker you use. We or our preferred broker will work with your local broker in finding sites suitable for your franchise business. However, in the end, you will be solely responsible for choosing a proposed site to send to us for approval. Our assistance in locating a site is not a guarantee or a warranty of the potential success of a location. We will base our approval on factors such as cost, distance between locations, demographics of the surrounding area such as population, population density, deliverable population mean income and age distribution, competition, traffic patterns, accessibility, and similar factors which we analyze based on our experience and our own subjective judgment. We cannot predict, represent, or warrant success, suitability, or income levels for any location. We do not prepare demographic studies or otherwise evaluate or guarantee the potential success of your proposed site. We do not own properties that we lease to you. Other than providing you with the general specifications, we do not assist you with the construction, remodeling or decorating of the premises (Section 4.1, Franchise Agreement).
- 3) Provide written specifications for store construction or remodeling and for all required equipment, inventory and supplies. We provide you preliminary design plans for your franchise business

(Paragraph 4.3.1, Franchise Agreement). You must adapt your franchise business to our general specifications at your own expense, in accordance with local, state and federal laws, rules and ordinances (Paragraph 6.1.1, Franchise Agreement). You are responsible to obtain any required licenses and permits. We do not provide assistance in the construction, remodeling, or decorating of your franchise business, but you must receive our prior written approval as to the floor plan and layout prior to commencing any improvements or construction (Section 4.3, Franchise Agreement).

4) Train your operating principal and manager in our training program described in detail below (Section 6.1.4 and 7.3, Franchise Agreement).

5) Be present at your franchised site for seven days to provide you with pre-opening and opening assistance (Section 7.3.1, Franchise Agreement). For franchisees that open two or more stores, we will provide a minimum of three days for the second and any subsequent stores.

6) Lend you a copy of our confidential manuals, in one or more volumes, or in electronic media format. Our manual may be amended, supplemented, or replaced at any time. These manuals are confidential and remains our property. The manuals may be used by you only in association with your Westside Pizza® franchise business and only during the term of the franchise agreement. You must keep the contents of all manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents of the manual with the number of pages for each section as of our latest fiscal year-end (unless another date is stated) is attached as Exhibit “F.” Our manual is provided in electronic format and is equivalent to approximately 162 pages (Article IX, Franchise Agreement).

Site Selection and Commencing Operations. You will have 60 days to have a site selected for your franchise business. You must use a local broker in your site selection. A lease must be in place within eight weeks from the date of the franchise agreement. We must approve of your lease, and you are required to include our standard lease addendum which is attached to the franchise agreement as part your lease (Section 4.2, Franchise Agreement).

Construction must be started within 90 days from the date of the franchise agreement and be completed within five months from the date of the franchise agreement. You are required to begin operations within 30 days after construction is complete (Section 4.3, Franchise Agreement).

You must notify us when your restaurant is ready to open and specify an opening date no earlier than 14 days and no later than 21 days after the notice is given. We will inspect the restaurant at a time mutually agreed and give you notice of any defects, or that it complies with our specifications and requirements. You are required to remedy any defects within 14 days after receiving notice from us. You must begin operation of the restaurant within seven days after written acknowledgment from us that your restaurant complies. Our approval will normally take no more than 20 days. If you and we cannot agree on a site, we may terminate the franchise agreement (Sections 4.3 and 4.4, Franchise Agreement).

Upon your showing of a good faith effort to open within the above timeline and to correct all issues and defects, we have the right to grant you an extension to open the franchise business that will not exceed 12 months from the date of signing the franchise agreement (Article IV, Franchise Agreement).

Length of Time between Signing of Franchise Agreement and Opening. The typical length of time between the signing of the franchise agreement or the first payment of any consideration for the franchise, and the opening of the franchised business is approximately 4 to 6 months. The factors that affect this length of time are the time it takes to mutually schedule and satisfactorily train you before the opening of business, and the length of time of your pre-opening preparations.

Our Obligations During Your Operation of the Franchised Business. After you open your business, we will:

- 1) For the first 90 days after opening, we will be in contact with you periodically by telephone to discuss your operational issues (Section 7.2, Franchise Agreement).
- 2) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of change in products and services (Section 9.1, Franchise Agreement). The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement (Article IX, Franchise Agreement).
- 3) Provide additional or supplemental training for you and your management employees for a current cost of \$60 per hour, plus all travel, lodging, food, and other expenses (Sections 7.2 and 7.4 and Exhibit “A-3,” Franchise Agreement).
- 4) Provide you with an email address which must be used in all correspondence and communications involving your franchise business. You are not allowed to use a non-approved email for business purposes involving the franchise business (Paragraph 6.2.2(i), Franchise Agreement).

After you open your business, we may:

- 5) To the degree permitted by law, suggest retail prices, specify maximum and minimum pricing above and below which you will not provide any goods or services (Paragraph 6.1.12, Franchise Agreement).
- 6) Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live video conferring and may be performed through a third-party provider. Upon our request, at all reasonable times, you will provide to us video and/or digital images of the interior and exterior of your franchise business as set forth in the manuals (Paragraph 6.2.2(iv), Franchise Agreement).
- 7) Conduct additional seminars, which may be through online webinars, videos, live video conferencing or other electronic media, phone conference or in person, to discuss improvements, new developments, mutual concerns and business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. We may charge a seminar fee in the future, and you may be required to pay all your travel, lodging, food, and other expenses. In-person seminars are normally held at our headquarters or as available at regional facilities (Paragraph 6.1.14, Franchise Agreement).
- 8) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable (Section 7.4, Franchise Agreement).
- 9) You must participate in and cooperate with multi-area marketing programs including Internet, yellow pages, directory, affinity, gift card and loyalty, contests and awards that we may develop in the future. You must honor all coupon, price reductions, and other programs established by us (Paragraph 6.2.2(ii), Franchise Agreement).

10) Replace defective products purchased directly from us based on our standard limited warranty. For items purchased through third parties or an affiliate, you must work directly with your supplier or manufacturer of such items regarding warranties, defective products, training and support (Section 8.5, Franchise Agreement).

11) At Your expense, require you to repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish your premises from time to time as we may reasonably direct, but not more often than every five years (except for required changes to the trademarks, which we may require at any time). You must implement all changes within the time frames required by us (Section 6.1.9, Franchise Agreement).

Employment Matters. We do not assist you with the hiring, firing, managing or compensation of your employees. That is your responsibility. We may provide you with an employee guide or manual, but it will only be a sample of certain employment matters unless otherwise indicated by us. It is your responsibility to comply with local and federal employment laws (Paragraph 6.1.10, Franchise Agreement).

Advertising and Promotion. We may provide you with samples of marketing materials developed by us and provide new marketing techniques as developed (Section 10.4, Franchise Agreement).

You may develop advertising and marketing materials for your use, at your cost, but all advertising and marketing material developed or used by you must have our prior written approval. Any advertising or marketing you create becomes our property and will be considered “works for hire” that can be used by us or other franchisees without compensation to you. If you do not receive written approval or disapproval within 10 business days of the date we received your submission of advertising materials, the materials submitted are deemed approved. We can revoke our approval of any marketing materials at any time in our sole discretion (Sections 3.11 and 10.5, Franchise Agreement).

Advertising Fund. Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system, we have the right to maintain and administer a national advertising, marketing and development fund (referred to as the “marketing fund”) for local, regional or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system.

We currently do not collect a marketing fund fee, but we have the right, upon 60 days’ written notice to you, to institute a marketing fund. Once established, you must pay to us a monthly, non-refundable, assessment of up to 1% of your gross sales, or such lesser amount as we may specify for regional or national marketing or public relations programs as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. Each franchise owned and company-owned store will contribute marketing fund fees at the same rate.

We are responsible for administering the marketing fund. We will direct all uses of the advertising fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (which may include television, Internet, radio, print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (which may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement and allocation of these programs (which will be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of these programs (Paragraph 5.3.1 and Section 10.1, Franchise Agreement).

We are not required to spend any amount on marketing directly in the area or territory where you are located. We make no representations that advertising expenditures from the marketing fund will benefit you or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We do not use marketing fund fees to solicit new franchisees.

We may use the marketing fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the marketing fund.

Advertising Expenditures in the Last Fiscal Year. Any unused marketing funds in any calendar year will be applied to the following year's fund. The marketing fund is unaudited. You may request an unaudited annual report of marketing expenditures within 90 days of the end of our fiscal year. During the 2020 fiscal year we did not collect any marketing funds.

No franchisee advertising council is anticipated at this time.

Advertising Cooperative. You are required to participate in a local or regional advertising cooperative when established or approved by us. The area of any cooperative marketing association will be based on regions determined by us. Your marketing area is defined as a market with multiple Westside Pizza® locations, as determined by us. Upon the formation of an advertising cooperative, you will be deemed to be a member of that association as covers the area where your franchise is located, and you will be bound by any decisions made by the association upon a majority vote by voting members. You and other franchisees in the cooperative will be responsible for the administration of the association. Governing documents will be provided by us or by the cooperative and approved by us. At this time, these governing documents are not available. Voting will be on the basis of one vote per franchise or company-owned location in good standing. You and other franchisees within the cooperative will be required to make contributions pro rata based on the number of units in the cooperative. The timing and amount of this contribution may vary according to the vote and rules of the advertising cooperative. Upon establishment, you will pay the cooperative up to 1% of gross sales unless all the members in your advertising cooperative vote to increase the contribution percentage. This is in addition to the marketing fund. We and our affiliates will contribute to advertising cooperatives on the same basis as the franchisees. The cooperative will be required to prepare unaudited annual financial statements, and these will be available to all franchisees in the cooperative, and us, for review. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time (Paragraph 5.3.3 and Section 10.2, Franchise Agreement).

Other Marketing Funds. At this time, you are not required to participate in any other marketing funds.

Franchisee's Minimum Advertising or Promotion. We require you to spend a minimum amount of your franchised store's gross sales each quarter on local advertising. You must spend the lesser of 2% of gross sales each full calendar quarter or \$2,000 per month. The total of the franchisee local marketing and the marketing fund fee will not exceed 2% of Gross Sales (Paragraph 5.3.2 and Section 10.3, Franchise Agreement).

You are required to report your quarterly advertising expenditures to us by the 30th day of each succeeding quarter, on forms to be determined by us (Section 10.3, Franchise Agreement).

Internet. You may not create a website for your franchise business. Additionally, you cannot engage in social media on behalf of your franchise business or in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon.com without our prior written permission. If we do provide written approval to create your own website or social media for the franchise business, all content must be pre-approved by us in writing, and you are required to provide us administrative access, account information and any other information related to any of your websites and social media and to sign the assignment of digital media accounts that is included as part of your franchise agreement. All social media you develop or use must be attached only to the email address we provide to you. Additionally, any website or social media you are allowed to create must be ADA compliant. With our prior written approval, you may be allowed to register listings on sites such as Yelp. You must strictly comply with our policies and procedures regarding websites, social media, and Internet marketing. We reserve the right to restrict your right to use these sites in the future (Section 10.6, Franchise Agreement).

You must at all times maintain and frequently check a valid email address, provided by, and known and available to us, to facilitate our communication with you.

Computer Systems. As used in this disclosure document, the term “computer systems” means information processing and communications systems, computers, mobile smart devices, smart processors in hardware including point of sale devices, software and related hardware including credit, debit and gift card processing systems and online ordering systems, accounting systems, and systems to access the Internet. We have used the current POS system since January 2019.

You must acquire, maintain, and upgrade computer systems as we specify. The initial cost for these purchases is approximately \$12,000. In addition, we require you to obtain an Internet Service Provider (ISP). The fee for an ISP is typically between \$20-\$100 per month.

We will have independent access to the information and data collected or generated by the computer systems. There are no contractual limits on our rights to do so. You must keep these systems available for our access 24 hours a day, 7 days a week. You must maintain, upgrade and update the computer systems during the term of the franchise agreement, as we periodically determine, at your expense. There are no limits on the cost or frequency of your obligation to do so. We estimate the annual costs to maintain, upgrade and support your hardware, software, and computer systems to be between \$500 to \$1,500. We are not required to maintain, repair, update and/or upgrade your computer systems. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer systems (Paragraph 6.1.13, Franchise Agreement). For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer (Section 8.5, Franchise Agreement).

There is a monthly POS software licensing fee which you are required to pay. This estimated ongoing software licensing fee is between \$4,800 and \$6,200 per year depending on how many terminals you have. We may in the future require you to obtain additional computer systems. We have no way of predicting or estimating what the costs for these computer systems might be until we determine the actual computer systems. We are not required to maintain, repair, update and/or upgrade your computer systems.

The computer systems will be used to report to and communicate with us for processing orders from customers, tracking sales, for your accounting, and for other tasks that we may designate. Currently, you are required to use QuickBooks Online, but we have the right to change the required accounting software and program, and you must comply with any such changes. You must also use the accounting management company we designate. Currently, we require use of Fran Metrics to set up, organize, and analyze your accounting. You will pay Fran Metrics directly their monthly fee to maintain the reporting system. Currently, their fee is \$60 per month. If you choose to use Fran Metrics for bookkeeping, there is an additional fee that you would pay directly to Fran Metrics. Currently, you are only required to use Fran Metrics for the QuickBooks setup and monthly reporting. We have the right to independent access to the information and data collected or generated by the computer system, and which is required in our reports and you are required to allow Fran Metrics administrator access to your QuickBooks accounts, and Fran Metrics has the right to share all your information, reports, and data with us. There are no limits to our rights to do so. You must transmit information to us daily or at other intervals that we specify and in the form and manner that we specify.

Miscellaneous. We may approve exceptions to our changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to these variances yourself. We may deny any or all of the above services to you while you are in breach

of the franchise agreement or in default in the discharge of any of your obligations to us (Sections 7.5 and 20.15, Franchise Agreement).

Initial Training Program. Your majority owner, operating principal (if different from your majority owner), and your managers (including assistant managers) are required to attend and successfully complete a training program which is held at our Boise, Idaho store, or at another location that we choose. There is no charge for training for up to three people. The training program is held as needed but at a minimum with every new franchise agreement signing for new franchisees. Successful completion will be determined by our trainers.

The “operating principal” is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind you in all dealings with us.

Successful completion of training must be completed 30 days before you may open your franchise business. The length of training depends on the prior experience of your attendees but should last approximately 7 to 12 days. The estimated cost of training is listed in Item 5 and Item 7 and are estimated to be \$2,000 to \$6,000 for 2 people (Paragraph 6.1.4, Franchise Agreement).

After the initial training, any new operating principal and manager must complete initial training before they are allowed to assume the duties of the operating principal or manager. Our fee for this additional training is currently \$60 per person, per hour to be trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management. Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM:

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Procedures; regulations, general health code compliance; review of operational manual	7.25 hours		Conference room at Boise, ID store, or other location we choose
Opening/closing procedures		5.5 hours	Boise, ID store or other location we choose
Phone answering, pizza making, food prep, stocking, cleaning and other operational procedures		22 hours over two weeks	Boise, ID store or other location we choose
Accounting, reporting, inventory, ordering and POS manager training		4.5 hours	Boise, ID store or other location we choose
Customer service and public relations		7.5 hours	Boise, ID store or other location we choose

Note 1: The initial training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and your personnel may vary based on the experience of those persons being trained.

Training will be provided by Aaron Olson and Rodney Nelson whose experience is described in Item 2. The instructional materials are video tutorials, and our manuals.

At this time, other than listed above, no additional trainings or refresher courses are required.

Item 12

TERRITORY

Protected Territory. Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within a specific geographic area, the boundaries of which will be negotiated prior to signing the franchise agreement and are described in the franchise agreement. You will normally receive a partially protected area that is restricted to the zip codes set forth in the franchise agreement (subject to the exceptions described below); but you will not receive a partially protected area if your location is in a mall, or within a downtown of more than 20,000 in population, or in certain other high-density areas that we may designate. We have the right to adjust the boundaries of your territory if the population in your territory increases by 80% or more. In such instance, we will grant you a right of first refusal to acquire to adjusted-out portions of your territory for a franchise fee equal to 50% of our then-current initial franchise fee.

Customer Restrictions. You may not solicit orders within another Westside Pizza store's Trade Area, but you may accept orders from any customer. You do not have the right to sell products or services through other channels of distribution, including the Internet, via apps or social media. Other franchisees may not conduct hard or directed advertising within your territory and you may not conduct hard or directed advertising within other territories.

Continuation of the Trade Area. Continuation of the trade area for the franchised business is dependent on achievement of a certain sales volume. If your sales fall under \$12,000 per month for three consecutive months, we may cancel your trade area's partial protection. We may not otherwise modify your partially protected trade area.

You are restricted to operations from the approved franchised premises only and may not, without our prior written approval, open or operate another outlet whether inside or outside the territory, or to provide food truck or similar off-site services. You do not have the right to relocate your franchise business, and we have no obligation to approve any request for relocation. You must obtain our prior written permission if you want to relocate your franchise, paying us a \$4,000 relocation fee to cover our costs of approving and processing your relocation request. and you must be able to demonstrate to us that you have the financial ability to relocate. We have the right to deny any relocation request.

You will not be assigned an exclusive territory for your franchise business. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. We have the right to own or franchise outlets located in malls within your trade area, but no delivery service will be provided from such mall locations. Other than the mall location exception, we and our affiliates may not operate or grant a franchise for the operation of a carry-out, dine-in or delivery pizza restaurant within the partially protected trade area. You may not subcontract off-site delivery services to a third party without our prior written approval.

We and our affiliates may: (i) own, franchise, and operate units in locations not in your trade area; (ii) purchase, or be purchased by, or merge or combine with, competing businesses, wherever located; (iii) implement Internet marketing and other multi-area marketing programs, which may allow us or others to solicit or sell customers anywhere; (iv) manufacture, market, and sell any products and services anywhere, through channels of distribution other than the fixed location type of business reserved to you, including the Internet and wholesale, and in non-traditional locations (such as at airports, hotels, grocery stores, sporting venues, food courts, military bases, train stations, co-branded locations, etc.); and (v) provide dissimilar products and

services (such as spices and sauces in containers) anywhere, under Westside Pizza® or a different trademark. Such activity may be owned and/or operated by us, and we may accept orders within your territory. There is no timetable for this business, and we do not currently have plans to operate such business activity, but we reserve the right to do so in the future.

Other. You generally do not receive the right to acquire additional franchises, but we may, at our sole discretion, offer you a right of first refusal to acquire additional franchises within a defined area (see Item 5). You are prohibited from conducting hard or directed marketing outside of your territory, and other franchisees are prohibited from conducting hard or directed marketing inside your territory as more fully set forth in the manuals. In addition, you will have a right of first refusal to purchase an additional delivery territory in the event we, in our sole discretion, choose to reduce your delivery area for quality control purposes.

Area Development Agreements. If you enter into an area development agreement, you will be assigned a limited non-exclusive territory over which you will have development authority. You may face competition from other franchisees, from units that we own, or from other channels of distribution or competitive brands that we control. The size of your territory is to be negotiated. The written boundaries will be included in your area development agreement. The schedule of units to be developed in your territory are negotiated between you and us. To maintain your territorial rights, you must develop a set number of franchise businesses in accordance with the development schedule.

Our Reservation of Rights in Your Territory. We, or our affiliate, either personally or through agents and representatives, reserve the right to own, operate, sell, and market Westside Pizza® outlets in non-traditional locations and large institution-type locations both within and without your development area. These outlets may include locations at convention centers, sporting arenas, hotels, grocery stores, airports, or other similar locations. We may also enter into and negotiate franchise agreements with large institutional-type franchisees. For example, military bases, universities, department stores, hospitals, industrial sites or other similar locations. These franchisees have the right to operate and open non-traditional franchises at these non-traditional and institutional locations.

Competition by Us Under Different Trademarks. We or our affiliate either personally or through agents and representatives also reserve the right to sell, market and distribute all Westside Pizza® products and services using our trademarks or other marks or sell, market and distribute other products and services using other trademarks or brands we control through alternate channels of distribution including by direct mail, telemarketing, infomercials, the Internet, general media marketing, retail units and national business accounts both within and without your trade area or development area.

Item 13

TRADEMARKS

Non-Exclusive Grant of the Trademark. We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business, including the trademark WESTSIDE PIZZA and design, as shown on the front cover of this disclosure document. By trademark we mean trade names, trademarks, service marks, logos, trade dress, and other commercial symbols used to identify the business.

Registered Trademarks. The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered or have been filed for registration with the United States Patent and Trademark Office on the Principal Register. All required affidavits and renewals have been filed.

Mark	Registration Number	Registration Date	Status
	3,626,809	May 26, 2009	Registered
it's all about the pizza!	4,271,716	January 8, 2013	Registered
WESTSIDE PIZZA	4,830,349	October 13, 2015	Registered

Registered Domain Names. We have registered, among many others, the Uniform Resource Locators (domain names) westsidepizza.com. You may not register or own a domain name using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark. You must use all trademarks in strict compliance with our manuals and Westside Pizza® system. You must promptly modify or discontinue the use of a trademark at your cost, if we modify or discontinue it. You are prohibited from using any trademark as part of your corporate name, but you must use the name “Westside Pizza” as part of an assumed business name or dba (“doing business as”) registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of Westside Pizza® names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters “TM” or “SM” or “®” as appropriate. You are prohibited from using any trademark in the sale of any unauthorized product or service or in any manner not expressly authorized in writing by us. You are required to adhere fully and strictly to all security procedures required by us for maintaining the secrecy of proprietary information.

Governmental Determinations Regarding the Trademarks. There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights and Infringing Uses. We are aware of several companies operating under the Westside Pizza or similar trademark, which may have superior rights in the trademark. At this time, we have not investigated whether there are superior rights. There are presently no known infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

Protection Against Infringement. You are obligated to notify us immediately of any infringement of, or challenge to, your use of our trademarks. We are not obligated by the franchise agreement to protect your rights to use these trademarks or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving our trademark or if the proceeding is resolved unfavorably to you, but may defend, prosecute or settle these claims or litigation. However, we may, control any administrative proceedings or litigation involving a trademark licensed by us to you. You must modify or discontinue the use of any trademarks or use one or more substitute trademarks if we request you to. Our only obligation will be to reimburse you for 50% of the tangible costs of new exterior signs. You may not contest our ownership, title, right or interest in our trademarks that are part of our business, and you agree to execute documents and assurances necessary to effectuate these provisions. Any goodwill associated with the trademarks or system belongs exclusively to us. Upon termination of the franchise agreement for any reason, you must cease using these trademarks in any manner.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents. You do not receive the right to use an item covered by a patent and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights. We have not registered our manuals, with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we claim protected trade secrets and copyrights in parts of our franchise system. We claim other copyrights in sales literature and marketing materials that we, or our franchisees, develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us.

Proprietary Information. You may use the proprietary information contained in our manuals but only in connection with the system. Our manuals may not be copied and must be returned to us, or permanently deleted by you upon termination, transfer or non-renewal of your franchise agreement. As mentioned above, portions of the “system” are a trade secret or confidential and proprietary to us. You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. If applicable, we have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from a proceeding based on copyright or patent. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Improvements to the System. If you conceive or develop any improvements to the system, you must fully disclose the improvements to us, without disclosing the improvements to others and will obtain our written approval before using or implementing the improvements. All improvements you make to the system will be owned by us and considered a “work for hire” as defined in Section 101 of Title 17 of the United States Code.

Protection Against Infringement. You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. If applicable, we have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

Superior Prior Rights and Infringing Uses. There are presently no superior rights in or infringing uses of the copyrights or patents that could materially affect your use of the copyrights or patents in your territory.

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

Participation and “On Premise” Supervision. Your operating principal must personally participate in the franchised business until he or she understands the basic operation of the franchised business, but you may

then appoint a designated full-time manager to handle day-to-day operations. If your operating principal does not personally handle day-to-day operations, we must approve your manager. Unless your operating principal will act as the full-time manager of the franchise business, your operating principal is not required to work a certain or minimum number of hours; however, your operating principal must work sufficient hours to operate your franchise or supervise your managers and employ adequate personnel so that your franchise business is operating at maximum capacity and efficiency. You must have at least one manager on-site during regular business hours.

Your operating principal must also maintain sufficient supplies and materials and conduct frequent inspections of the franchise business to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods.

Other than approving your manager, we do not put a limitation on whom you can hire as your manager. There is no minimum equity interest that your designated manager must have in the franchise.

Who Must Attend Initial Training. Your operating principal and your designated manager must satisfactorily complete training. If you wish to change your operating principal or manager, you must notify us of this fact, and we must approve it in writing. Your new designated operating principal or manager must satisfactorily complete the training program at your expense.

No Competing Enterprises. Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and operating principal will be required to sign our standard brand protection agreement for principals to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17. (See franchise agreement, exhibit A-4.) Some states may impose certain restrictions on non-competition agreements.

Required Operations. You must operate the franchise business such minimum hours and on such days as may be prescribed by us. You must offer delivery services for the days and times that we specify, currently a minimum of five hours each day, from 4:00 p.m. to 9:00 p.m. Hours of service are to be determined by you, subject to approval by us. The scope of the delivery area will be congruent with the scope of your trade area. Due to fluctuations in population density and vehicular traffic patterns over time, we may, extend or reduce the radius that you must offer delivery services.

Personal Guarantees. Each owner (whether equity or voting ownership) who directly or indirectly owns 5% or more of the franchised business or voting control of the franchise business must personally guarantee the franchise agreement including confidentiality and non-competition covenants. A copy of the guarantee is attached to the franchise agreement. Each guarantor's spouse or legal domestic partner must also sign a personal guarantee making the spouse or legal domestic partner individually liable for your financial obligations under the agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide and sell only those products and services specified and approved by us in writing. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify or delete products and/or services. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all of our products and services.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document. All references are to the franchise agreement, unless otherwise specified.

Provision	Section in Franchise or Other Agreements	Summary
a. Length of the franchise term	Section 2.1	The term is 5 years. The franchise term will begin upon signing the franchise agreement and coincide with your lease agreement for the premises (approximately 60 months).
b. Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the initial or applicable renewal term, you can enter into a successor franchise agreement for an additional term of 10 years.
c. Requirements for you to renew or extend	Section 2.2	Not be in default, pay a successor franchise fee of \$1,000, sign the then-current franchise agreement, which may have materially different terms from the previous agreement, and sign a release (subject to state law). We may require you to modernize your premises as a condition to renewal. Alternatively, if at the time for renewal we are not offering franchises in the US or cannot by law offer a renewal franchise to you, your existing franchise agreement will be extended for a one-year period. If at the end of the one-year extension we still have not offered franchises in the US or still cannot by law offer a renewal franchise to you, the franchise agreement will expire, and you will not have any further renewal or extension rights. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement (subject to state law).
d. Termination by franchisee	Section 11.4	There are no provisions in the franchise agreement that permit you to terminate the franchise agreement (subject to state law). However, some states may allow you to terminate as permitted by state law.
e. Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f. Termination by franchisee with cause	Sections 11.1	We can terminate if you materially breach and fail to cure. There are certain specified breaches for which we can terminate without giving you an opportunity to cure (see (h)

Provision	Section in Franchise or Other Agreements	Summary
		below). Your royalty fee may be increased to 5% of gross sales if you materially default and fail to cure.
g. “Cause” defined - curable defaults	Section 11.1 Q - X	You have 48 hours, and 7 to 30 days to cure certain material defaults of the franchise agreement.
h. “Cause” defined – non-curable defaults	Section 11.1 A - P	Non-curable defaults include conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc.
i. Your obligations on termination/non-renewal	Sections 12.1	Obligations include complete de-identification, payment of amounts due, and compliance with the brand protection agreement (see also (r) below).
j. Assignment of contract by us	Section 14.1	No restriction
k. “Transfer” by you - defined	Sections 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, ownership change, the sale of substantially all of your assets, etc.
l. Our approval of transfer by you	Sections 14.2	We have the right to approve all transfers but will not unreasonably withhold or delay approval.
m. Conditions for our approval of transfer	Sections 14.3 - 14.8	You are not in default, all fees are current and debts paid in full, you provide us at least 60 days’ prior notice of intent to transfer, accompanied by required information; you sign a release; transferee qualifies as a transferee of the alcoholic beverage license; transferee is not a competitor, meets our standards, successfully completes training, signs our then-current form of franchise agreement with then-current terms and a transfer addendum, or at our option assumes your contract; payment of transfer fee; and refurbishment of the outlet. You must also coordinate with the transferee to ensure coverage at the location during the transferee’s initial training. These conditions are subject to state law (see state specific addenda).
n. Our right of first refusal to acquire your business	Section 14.9	We can match any offer for your business for 30 days.
o. Our option to purchase your business	Section 13.1 and Section 14.12	Upon the termination or expiration, except termination by you for cause, or if we receive an offer to acquire a majority of the franchises or to purchase a majority of our assets or stock, or to merge or go public or similar transactions, We have the option for 30 days to purchase all or any part of the assets of the business at the fair market value of the tangible

Provision	Section in Franchise or Other Agreements	Summary
		assets, with no value given to goodwill, trademarks, or other intangible assets. We may exclude from our purchase your liabilities and certain non-compliant or unusable assets.
p. Your death or disability	Section 14.10	Your heirs or legal representative must submit a proposal meeting our transfer requirements with 120 days. Transfer must be complete within 60 days of our approval of proposal (see Item 6).
q. Non-competition covenants during the term of the franchise	Section 16.1	No involvement in competing business anywhere without our written consent. Non-competition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.3 – 16.4	No competing business for two years within 20 miles of us, of our affiliates, of a franchisee, or within 20 miles of your trade area, and non-solicitation of customers. If you compete within the time period, this non-compete time period will be tolled and extended for the period of your competition, plus 6 months. Non-competition provisions are subject to state law.
s. Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures and the manuals are subject to change by us.
t. Integration/ merger clause	Section 20.10	Only the terms of the franchise agreement, are binding or enforceable (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, no provision in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. Any representations or promises made outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes there must be a face-to-face meeting and arbitration (see state specific addenda). All disputes must be resolved by arbitration in Salt Lake City, Utah (subject to applicable state law).
v. Choice of forum	Sections 17.2 and 19.2	Arbitration and litigation, if any, must be in Salt Lake City, Utah (subject to state law).
w. Choice of law	Sections 19.1 and 19.5	Idaho law and the United States Trademark Act apply (subject to applicable state law).

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

Area Development Agreement

	Provision	Area Development Agreement	Summary
a.	Length of the Area Developer Agreement	Section 3.4 & Exhibit B	The term is the negotiated to fit the term of the development schedule.
b.	Renewal or extension of the term	Section 3.3	In our discretion, you may be granted a one-time extension (lasting no longer than 9 months) to meet the terms of your development schedule.
c.	Requirements for developer to renew or extend	Section 3.4	There is no right for you to renew. Subject to state law.
d.	Termination by developer	Not Applicable	Rights to terminate are subject to state laws.
e.	Termination by franchisor without cause	Not Applicable	We must have cause to terminate the area developer agreement.
f.	Termination by franchisor with cause	Section 9.1	We can terminate only if you are in default of your agreement. In the event we terminate your area developer agreement, you may continue to own and operate all units that you have developed and that are in compliance and not in default and each unit continues to faithfully perform the terms of each franchise agreement. Any undeveloped licenses that you have purchased will remain with you and will be placed on the general seniority list for new franchise development in your state.
g.	“Cause” defined – curable defaults	Sections 9.1.2 and 9.1.3	You have 45 days to cure a development schedule default and 30 days to cure certain other material defaults of the area developer agreement.
h.	“Cause” defined – non-curable defaults	Section 9.1.1	Non-curable defaults include: conviction of felony, fraud, failure to pay, insolvency, repeated defaults even if cured, abandonment, defaults of any of your franchise agreements, etc.
i.	Developer’s obligations on termination/non-renewal	Article 10	We may sell in your territory, and you may continue as a franchisee pursuant to your signed franchise agreements. Any undeveloped licenses that you have purchased will remain with you and will be placed on the general seniority list for new franchise development in your state.
j.	Assignment of contract by franchisor	Section 12.1	No restrictions on our right to assign

	Provision	Area Development Agreement	Summary
k.	“Transfer” by developer - defined	Section 12.2	Includes assignment and transfer of contracts, security interests and ownership change.
l.	Franchisor approval of transfer by developer	Section 12.2	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 12.2, 12.3	You are not in default, transferee is trained and signs the then-current area developer agreement, and a release signed by you.
n.	Franchisor’s right of first refusal to acquire developer’s business	Section 12.4	We can match any offer for your development or franchise business within 30 days of written notice to us of the offer.
o.	Franchisor’s option to purchase franchisee’s business	Not Applicable	
p.	Death or disability of developer	Section 12.5	The heirs or personal representative will have the right to continue to fulfill the area developer’s obligations under the agreement; provided that a personal representative be approved or area development agreement must be assigned to an approved buyer within a reasonable time, not to exceed 60 days (subject to state law).
q.	Non-competition covenants during the term of the Area Developer Agreement	Section 11.1	No involvement in a competing business. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the developer is terminated, transferred or expires	Section 11.2	No competing business for 2 years within 50 miles of your territory or within 50 miles of another then-existing Westside Pizza® franchise or company or affiliate owned business (including after assignment). If you compete within the time period then this non-compete time period will be tolled and extended for the period of your competition, plus 6 months. Non-competition provisions are subject to state law.
s.	Modification of the agreement	Section 16.8	Modifications must be made in writing and signed by both parties; policies and procedures are subject to change by us.
t.	Integration / merger clause	Section 16.8	Only the terms of the area developer agreement are binding (subject to state law). All representations and promises outside the disclosure document and multi-unit development agreement may not be enforceable. Notwithstanding the foregoing, no provision in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.

	Provision	Area Development Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Section 15.2	Except for certain claims, all disputes must be arbitrated in Salt Lake City, Utah (subject to state law – see state specific addenda.)
v.	Choice of forum	Section 16.2	Arbitration must be in Salt Lake City, Utah. Litigation, if any, must be in Salt Lake City, Utah (subject to state law – see state specific addenda).
w.	Choice of Law	Section 16.2	Idaho law, the Federal Arbitration Act and the United States Trademark Act apply (subject to state law – see state specific addenda).

Item 18 **PUBLIC FIGURES**

We do not use any public figure or personality to promote the franchise in any way.

Item 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

This Item 19 includes sales from 2019 and 2020 to demonstrate that the Westside Pizza® system was not negatively impacted by the COVID-19 pandemic. Franchisees did not have lower gross sales due to the pandemic as demonstrated below. Other than following safety protocols for masks and extra sanitization, the system did not need to be altered due to the COVID-19 pandemic, and we do not foresee the need to make alterations to the system in response to the pandemic in the future.

For purposes of this financial performance representation, “gross sales” means the total gross receipts from all sales by the franchise business, and off-site sales of franchise business products including delivery, tips and gratuities, without reserve or deduction for inability or failure to collect. Gross sales does not include sales and equivalent taxes collected from customers and paid to the government.

2019. Shown below are unaudited monthly gross sales as reported to us by 23 of our 28 franchisees for the year ended December 31, 2019. All 23 franchised locations were open each of the 12 months for the full year of 2019. One franchisee was not open for the full year of 2019 and is not represented below.

Average and Median of Unit Sales 2019

Unit #	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
1	48,246	52,407	57,311	59,063	61,982	62,994	65,351	67,957	59,928	62,606	61,400	56,403
2	83,611	75,213	100,477	84,708	95,093	98,975	95,896	103,718	91,626	98,818	98,182	98,310
3	45,719	37,569	49,763	46,963	52,926	50,557	48,982	53,863	54,222	65,618	61,610	64,007

Unit #	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
4	53,072	55,584	64,296	58,781	65,713	65,725	71,502	71,705	62,951	63,572	62,809	60,875
5	25,692	24,264	27,973	27,461	29,081	27,482	26,119	31,404	28,426	29,398	28,756	27,520
6	57,035	47,475	54,807	58,945	84,810	102,774	160,001	156,012	84,165	69,492	57,526	58,506
7	55,994	56,287	63,211	56,841	62,181	60,040	63,954	65,941	59,921	45,344	43,945	45,864
8	69,247	59,779	79,899	74,070	81,001	82,174	89,760	88,121	78,958	77,288	78,333	73,030
9	102,497	94,316	117,347	107,688	114,931	121,800	128,059	132,190	113,231	111,655	104,098	112,586
10	63,752	64,773	77,402	72,745	72,386	67,634	63,412	68,358	66,382	70,525	65,078	67,098
11	68,062	63,942	78,802	70,014	77,419	75,765	74,147	79,147	74,283	74,013	41,437	50,609
12	51,095	46,106	60,814	51,425	54,967	58,412	55,983	60,512	50,922	56,942	50,153	58,033
13	47,620	57,707	61,448	54,673	58,182	59,712	64,448	64,970	54,813	63,516	54,997	50,146
14	59,930	62,471	60,414	55,790	61,576	52,996	50,675	59,279	59,521	51,641	54,360	55,046
15	39,536	36,680	46,202	42,822	44,087	45,276	44,111	47,124	44,662	43,250	41,238	44,298
16	73,490	73,813	87,086	79,786	82,375	81,937	82,830	88,555	81,862	72,682	87,607	82,274
17	38,067	36,443	46,229	38,183	41,601	51,545	46,598	46,470	48,265	51,595	42,651	36,369
18	35,135	35,195	41,863	43,500	47,783	42,145	39,951	42,451	39,163	45,015	39,167	41,936
19	54,106	65,513	65,064	55,707	62,794	60,053	55,061	61,714	58,933	51,533	58,035	55,265
20	46,422	37,228	63,725	52,346	60,338	63,408	75,873	72,615	61,140	61,499	58,460	62,494
21	47,433	47,109	54,792	50,280	53,452	53,474	53,257	58,338	54,843	54,469	50,747	54,742
22	24,496	21,995	25,486	28,414	31,296	30,420	31,381	31,854	30,567	31,334	27,647	24,997
23	64,891	61,185	79,339	70,530	82,529	83,993	86,722	94,683	84,004	82,345	79,456	84,162

The average monthly unit sales in 2019 was \$60,433. The number and percentage of outlets that attained or surpassed the average was 9 or 39%. The median monthly unit sales in 2019 was \$59,004 (median of all numbers above). The high used in calculating the average was \$160,001 and the low used in calculating the average was \$21,099.

2020. Shown below are unaudited monthly gross sales as reported to us by 25 of our 28 franchisees for the year ended December 31, 2020. All 25 franchised locations were open each of the 12 months for the full year of 2020 (except for government mandated shutdown periods). Three franchisees were not open for the full year of 2020 (outside of the government shutdowns) and are not represented below.

Average and Median of Unit Sales 2020

UNIT	JAN	FEB	MAR	APRIL	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	Average
1	\$54,418	\$57,125	\$56,700	\$71,517	\$72,525	\$76,635	\$79,987	\$77,154	\$69,423	\$76,142	\$65,383	\$72,521	\$69,128
2	\$93,158	\$92,162	\$68,695	\$61,351	\$74,738	\$73,795	\$90,835	\$91,460	\$84,863	\$95,982	\$77,882	\$74,385	\$81,609
3	\$56,204	\$58,684	\$57,659	\$69,419	\$83,183	\$74,618	\$75,845	\$73,529	\$69,085	\$69,826	\$67,747	\$74,048	\$69,154
4	\$60,322	\$57,932	\$61,423	\$80,875	\$89,812	\$76,950	\$89,135	\$84,599	\$76,739	\$83,050	\$66,972	\$73,230	\$75,087
5	\$26,621	\$26,679	\$33,070	\$37,756	\$37,328	\$34,929	\$33,019	\$39,436	\$36,994	\$37,235	\$31,298	\$34,496	\$34,072
6	\$59,326	\$57,048	\$49,220	\$58,770	\$100,161	\$134,104	\$200,884	\$208,262	\$127,422	\$82,253	\$62,112	\$71,936	\$100,958
7	\$66,814	\$71,666	\$72,216	\$82,753	\$98,166	\$88,838	\$96,702	\$101,320	\$89,178	\$89,295	\$76,512	\$82,524	\$84,665
8	\$106,957	\$108,952	\$98,861	\$107,640	\$129,362	\$117,476	\$126,606	\$111,716	\$120,348	\$116,021	\$101,440	\$110,979	\$113,030
9	\$67,394	\$69,440	\$74,515	\$91,561	\$99,926	\$85,992	\$93,791	\$96,186	\$80,006	\$88,165	\$77,945	\$85,382	\$84,192
10	\$49,414	\$47,892	\$55,192	\$68,869	\$72,660	\$65,507	\$71,130	\$68,384	\$69,525	\$66,369	\$60,609	\$67,683	\$63,603
11	\$48,994	\$48,820	\$51,061	\$52,958	\$58,992	\$55,215	\$58,893	\$59,042	\$49,890	\$52,921	\$42,872	\$43,725	\$51,949
12	\$54,132	\$58,760	\$55,782	\$60,709	\$73,349	\$66,755	\$64,290	\$69,693	\$66,940	\$66,223	\$55,706	\$47,594	\$61,661
13	\$86,183	\$79,831	\$75,254	\$81,721	\$96,338	\$94,056	\$102,575	\$110,328	\$102,770	\$101,668	\$88,565	\$98,153	\$93,120
14	\$40,985	\$42,804	\$43,126	\$45,632	\$55,963	\$54,261	\$56,060	\$54,693	\$52,137	\$61,438	\$49,076	\$46,073	\$50,187
15	\$40,182	\$40,732	\$43,836	\$49,403	\$51,759	\$49,230	\$40,473	\$50,606	\$50,985	\$57,389	\$44,619	\$51,065	\$47,523
16	\$53,923	\$54,014	\$59,159	\$68,091	\$76,297	\$70,740	\$69,314	\$66,805	\$67,219	\$65,728	\$61,455	\$62,987	\$64,644
17	\$51,603	\$54,072	\$48,407	\$56,999	\$72,653	\$85,089	\$102,297	\$92,488	\$67,315	\$65,858	\$60,982	\$64,469	\$68,519
18	\$50,787	\$58,848	\$58,545	\$64,243	\$73,607	\$62,479	\$68,059	\$61,840	\$54,237	\$56,641	\$49,040	\$53,416	\$59,312
19	\$26,925	\$27,007	\$29,471	\$28,667	\$38,308	\$36,590	\$37,773	\$38,254	\$36,162	\$36,665	\$26,563	\$27,380	\$32,480
20	\$80,621	\$85,703	\$82,390	\$95,039	\$112,912	\$97,239	\$108,872	\$102,966	\$100,653	\$98,947	\$88,357	\$88,356	\$95,171
21	\$37,967	\$39,906	\$36,642	\$44,730	\$50,185	\$44,916	\$48,794	\$48,857	\$38,387	\$41,552	\$43,594	\$46,978	\$43,542
22	\$73,618	\$75,949	\$70,573	\$87,603	\$95,998	\$78,774	\$86,212	\$82,971	\$73,263	\$75,807	\$63,890	\$65,964	\$77,552
23	\$44,091	\$43,298	\$47,635	\$52,825	\$55,385	\$50,758	\$53,327	\$51,900	\$53,863	\$60,653	\$48,157	\$55,119	\$51,418
24	\$35,224	\$37,988	\$37,249	\$40,466	\$48,848	\$51,729	\$58,151	\$66,196	\$55,095	\$61,780	\$58,578	\$65,859	\$51,430
25	\$18,139	\$16,822	\$24,437	\$29,346	\$42,688	\$37,697	\$37,408	\$39,610	\$36,085	\$38,842	\$34,150	\$36,280	\$32,625

Average monthly unit sales in 2020 was \$66,26. The number and percentage of outlets that attained or surpassed the average was 12 or 48%. The median monthly unit sales in 2020 was \$63,439 (median of all numbers above). The high used in calculating the average was \$208,262, and the low used in calculating the average was \$16,822.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Below are the unaudited overall food and labor costs as a percentage of revenue for 15 units. Thirteen of these units are franchised and two are corporate. These units are those who have shared their food and labor costs via QuickBooks Online and have used our preferred bookkeeper and benchmarking service, Fran Metrics. Fran Metrics has supplied this data based on the records they keep. Fran Metrics is a third party and not affiliated with Westside Pizza International, Inc.

The calculations have been done for the 15 reporting units which were open for all of 2020. For the labor cost calculation, the total cost of labor for the 15 reporting units was divided into the total gross revenues of all units and multiplied by 100. Labor does NOT include owners pay or other compensation.

For the food cost calculation, the total cost of food, packaging and beverages for the 15 reporting units was divided into the total gross revenues of all units and multiplied by 100. average labor cost: 33.4%; median labor cost: 32.2%; average food cost: 31.6%; and median food cost: 31.3%.

For the 13 reporting franchise units, the average labor cost was 33.5%, the median was 32.2%, the high and low labor costs used in calculating the averages was 46.4% and 28.4%. The average food cost was 31.5%, the median was 31.3%, and the high and low food costs used in calculating the average was 37.0% and 28.3%.

For the two company-owned units, the average labor cost was 32.8%, median was 33.5%, and the high and low labor costs used in calculating the averages was 35.2% and 31.7%. The average food cost was 32.8%, the median 33.7%, and the high and low food costs used in calculating the average was 36.1% and 31.3%.

Written substantiation of the data used in preparing this item 19 will be made available to you on reasonable request.

The financial performance representation figures do not reflect the costs of sales or operating expenses that must be deducted from the 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 business. Franchisees, or former franchises, listed in this disclosure document may be one source of this information.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rodney Nelson at 8515 W. Overland Road, Boise, ID 83709, or by email at rodneynelson@westsidepizza.com, or by phone at (360) 536-1339, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 **OUTLETS AND FRANCHISEE INFORMATION**

(Table No. 1)
**System-wide Outlet Summary
For Years 2018 to 2020**

Outlet Type	Year	Outlets operating at the start of year	Outlets operating at the end of year	Net Change
Franchised ¹	2018	24	23	-1
	2019	23	28	+5
	2020	28	28	+0
Company-Owned	2018	1	2	+1
	2019	2	2	+0
	2020	2	2	+0
Total Outlets	2018	25	25	+0
	2019	25	30	+5
	2020	30	30	+0

(Table No. 2)
**Transfers of Operating Outlets from Franchisees to New Owners (other than Us)
For Years 2018 to 2020**

State	Year	Number of Transfers
California ²	2018	1
	2019	0

State	Year	Number of Transfers
Idaho	2020	2
	2018	0
	2019	0
	2020	1
Washington	2018	1
	2019	0
	2020	0
Total	2018	2
	2019	0
	2020	3

(Table No. 3)
Status of Franchised Outlets¹
For Years 2018 to 2020

State	Year	Outlets operating at the start of year	Outlets opened	Terminations	Non Renewals	Reacquired by franchisor	Ceased operations	Outlets operating at the end of year
CA	2018	4	1	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
ID	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
UT	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
WA ³	2018	19	0	0	0	1	1	17
	2019	17	3	0	0	0	0	20
	2020	20	0	0	0	0	0	20
Total	2018	24	1	0	0	1	1	23
	2019	23	5	0	0	0	0	28
	2020	28	0	0	0	0	0	28

³ Our Yakima, Washington outlet was sold to us by a franchisee in July 2018.

(Table No. 4)
Status of Operating Company Owned Outlets
For Years 2018 to 2020

State	Year	Outlets operating at the start of year	Outlets opened	Re-Acquired from Franchisee	Outlet Closed	Outlet Sold to Franchisee	Outlets operating at the end of year
ID	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

State	Year	Outlets operating at the start of year	Outlets opened	Re-Acquired from Franchisee	Outlet Closed	Outlet Sold to Franchisee	Outlets operating at the end of year
WA	2018	0	0	1	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Total	2018	1	0	1	0	0	2
	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2

(Table No. 5)
Projected Openings as of December 31, 2020

State	Franchise Agreements signed but outlet not opened	Projected New Franchised Outlets in the next Fiscal year	Projected New Company Outlets in the Next Fiscal Year
ID	1	0-1	0
UT	0	0-1	0
WA ¹	2	0-3	0-1
Total ²	3	0-5	0-1

Note 1: Our Centralia, Washington franchisee signed in 2016 and has not yet opened.

Note 2: There are 6 units that are due to be developed in 2021 under Area Development Agreements (1 in Utah and 5 in Washington), but they have not yet signed franchise agreements so are not listed in Table No. 5.

List of Franchisees. Exhibit “C” contains a list of our current franchisees. Exhibit “C” also contains the name and last known city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee within the most recently completed fiscal year who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

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

Sale of Previously Owned Outlet. We are not selling a previously owned franchised outlet now under our control.

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

Franchisee Organizations. Exhibit “C” also lists, to the extent known, the name, address, telephone number, email address, and web address of each trademark-specific franchisee organization associated with the franchise system being offered, that we have created, sponsored or endorsed and that has asked to be included in this disclosure document.

Item 21
FINANCIAL STATEMENTS

Our fiscal year ends on December 31 each year. Attached as Exhibit “B” are our audited financial statements for the years ended December 31, 2020, December 31, 2019, and December 31, 2018.

Item 22
CONTRACTS

We have attached the following contracts: as Exhibit “A,” the Franchise Agreement and its Exhibits; as Exhibit “G,” the Area Development agreement; as Exhibit “H” the License Line Agreement (Form); as Exhibit “I,” the Acknowledgment of Receipt of Completed Agreements; and as Exhibit “J,” the Release Agreement (Form). All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

Item 23
RECEIPT

Included as the last document of this disclosure document is a receipt, in duplicate. This receipt is a detachable acknowledgement that you have received this Franchise Disclosure Document. Both receipts should be signed and dated by you. One copy should be returned to us and you should keep the other for your records. You may return the signed and dated receipt by either mailing it to us at 8515 W. Overland Road, Boise, Idaho 83709, or emailing a copy to us at franchise@westsidepizza.com.

**EXHIBIT A
TO THE FDD
FRANCHISE AGREEMENT**



It's all about the pizza!®

FRANCHISE AGREEMENT

By and Between

WESTSIDE PIZZA INTERNATIONAL INC.

and

(Franchisee)

© 2021, The Franchise & Business Law Group, LLC

This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC

**WESTSIDE PIZZA INTERNATIONAL INC.
FRANCHISE AGREEMENT**

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WESTSIDE PIZZA INTERNATIONAL INC FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into and made effective as of _____ by and between **WESTSIDE PIZZA INTERNATIONAL INC.**, a Washington corporation (“WPI” or “Franchisor” or “We,” “Us” or “Our” as further defined in Article XXI below) and _____ (“Franchisee” or “You” or “Your” as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a restaurant business known as Westside Pizza®, offering to the public carry-out, dine-in and delivery of pizza and other related products and services (“Franchise Business” or “Westside Pizza® Business”). The system Includes, the Franchise Business, specific Marks, interior design, store layout and décor, color schemes, standards, Manuals, Recipes, processes, services, know-how, operating procedures and Marketing concepts, formats, specifications for and the use of certain equipment, food and supply items, and the use of proprietary and Confidential Information and other Intellectual Property (“System” or “Westside Pizza® System”); and

WHEREAS, We will provide You with Our confidential Manuals and other materials as created by Us; and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System developed by Us; and

WHEREAS, You declare that You have fully investigated and familiarized Yourself with the essential aspects and purposes of the Franchise Business and System, understand that this business involves business risks, and have been advised by counsel chosen by You of the terms and conditions of this Agreement and understand that Your consistent and uniform presentation of the System and Franchise Business are essential; and

WHEREAS, Fees due under this Agreement are set forth on Exhibit “A-3” to this Agreement; and

WHEREAS, Article XXI contains certain definitions which apply to this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I AWARD OF FRANCHISE

1.1 **Award of Franchise.** We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicenseable personal right to establish and conduct a Franchise Business as a franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only at a single location approved by Us (“Premises”) within Your Trade Area as set forth on Exhibit “A-1” (“Trade Area”). You must operate Your Franchise Business at the Premises within the Trade Area approved by Us in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 **Trade Area Rights.** Except as set forth in Section 1.3 below, We will not establish or operate a traditional company-owned outlet or grant to any person or entity a franchise within the Trade Area using the same or similar System as that licensed by this Agreement. We will generally not place another Westside Pizza® unit within any zip code set out as part of Your Trade Area (see Exhibit “A-1”), but this may be adjusted depending on the density of the population, the population total and the location of Your Premises.

You will not be granted an exclusive Trade Area if Your Westside Pizza® unit is located in a mall or within a town having a population greater than 20,000 people, or in certain other high-density areas as may be determined by Us.

1.1.2 Population Increase. We have the right to adjust the boundaries of Your Trade Area if the population in Your Trade Area increases by 80% or more as measured from the date of this Agreement. In such instance, We will grant You a right of first refusal to acquire to adjusted portions of Your Trade Area for a fee equal to 50% of Our then-current initial franchise fee.

1.1.3 Annual Minimum Revenue. Your Trade Area rights depend upon Your achievement of a monthly minimum revenue volume. Your minimum monthly revenue quotas and the deadlines to meet those quotas are included in Exhibit “A-1” of this Agreement. If You do not achieve the minimum revenue in Your Trade Area for a period of three consecutive months, We have the right to cancel Your Trade Area’s partial protection.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Franchisor Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. Nothing contained herein prevents Us from granting the right to establish or operate, or Us establishing, owning and operating a Franchise Business or similar operation outside of the Trade Area. Furthermore, We and Our affiliates expressly reserve the right to sell, Market and distribute all Westside Pizza® products in Your Trade Area and elsewhere using other Marketing strategies and distribution channels Including the Internet, apps, Social Media, catalog sales, direct sales, retail or wholesale outlets, and/or co-branding with others without compensation to You. You may not sell Our products and/or services using such reserved Marketing strategies and distribution channels without Our prior written permission. Furthermore, We or Our affiliates may, regardless of any Trade Area granted to You, purchase, or be purchased by, or merge or combine with, competing businesses, wherever located. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Westside Pizza® businesses outside the Trade Area; 2) operate and license others to operate businesses anywhere that do not operate under the Westside Pizza® brand name; and 3) sell and license other to sell products and services in the Trade Area through channels of distribution (Including the Internet) other than Westside Pizza® outlets.

1.3.1 Non-Traditional Outlets. We reserve the right to open or sell franchises for outlets located in non-traditional locations. These outlets may Include locations at convention centers, sporting arenas, airports, or other similar locations.

1.4 Entity Franchisee. If You are operating as a partnership or an entity, You must designate an Operating Principal in connection with Your Franchise Business. Your Operating Principal will have the authority to speak for and bind You in all matters pertaining to this Agreement and Your Franchise Business. Your Operating Principal must be listed on Exhibit “A-2.” You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, You are required to file a DBA as set forth in Section 3.9.

1.5 Restriction of Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business at the Premises and will not extend to the operation of a Franchise Business or any other use of the System from any other location within or outside Your Trade Area, or in any other manner, except as may be allowed by this Agreement. You cannot operate any other business from the Premises other than the Franchise Business.

ARTICLE II

TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of five years unless terminated earlier pursuant to Article XI herein. However, at the time You sign a lease for the Premises, the term of this Agreement may be extended to coincide with the expiration date for the lease, so long as such lease is approximately 60 months unless otherwise agreed in writing by Us. We reserve the right to grant or withhold consent to such request, in Our sole discretion. Termination of the Lease for any reason will automatically terminate this Agreement. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. If You are not in default of the terms and conditions hereof and have: 1) complied with and timely met material terms and conditions of this Agreement throughout the initial term; 2) complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 3) timely paid all monetary obligations owed to Us, a subsidiary, an affiliate, or any other creditor or supplier during the term of this Agreement; 4) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 5) You are able to maintain possession of Your Premises or are able to secure and develop a suitable alternative Premises approved by Us, You have the right to be awarded a successor franchise (“Successor Franchise”) upon the expiration of the original term for an additional term of 10 years by giving Us written notice by certified mail, personal delivery, or via email with a confirmed delivery and read receipt at least six months and not more than 12 months prior to the expiration date of the term hereof. Your failure to give such notice will constitute an election not to enter into a Successor Term Agreement. If You fail to enter into a Successor Term Agreement for any reason but continue to operate Your Franchise Business, at Our election You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days’ prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Term Agreement, which date will supersede, said Successor Franchise term Including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Term Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor term agreement or Addendum for a Successor term (“Successor Term Agreement”) Including personal guarantees and to sign a general release of all claims against Us arising from this Agreement, the relationship created herein or Your Franchise Business. If You fail to execute such a release, the signing of the Successor Term Agreement will be the equivalent of the granting of such a release. The Successor Term Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Term Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Term Agreement and this Agreement will Terminate at the expiration of the term then in effect. **It is acknowledged by You that You will be bound by the form of the Successor Term Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including, terms affecting payments to Us or Our affiliates.**

2.2.4 Successor Franchise Fee. There will be no Successor Franchise Fee upon the granting of a Successor Franchise, but You shall pay Us a Fee to offset expenses incurred in connection with the Successor Franchise (see Exhibit “A-3”).

2.2.5 Upgrading Your Franchise Business. As a condition to Us approving You entering into a Successor Franchise Agreement, at Your expense, You are required to renovate, remodel, redecorate, resign, refixture, upgrade and/or otherwise refurbish Your Franchise Business and Premises to the extent and in the manner specified by Us to conform with and bring it up to the standards and image as We determine. You will make all necessary arrangements to continue the occupancy of Your existing Premises through the Successor Franchise term(s) unless We give written permission to relocate Your Premises.

2.2.6 Successor Franchise Training. Your Operating Principal and Your designated manager(s) may also be required to attend and successfully complete trainings, certifications and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training.

2.2.7 Unable to Offer Successor Franchise. Notwithstanding the preceding paragraphs of this Section, if at the time You provide Your notice of desire to enter into a successor agreement, We are no longer offering franchises in the United States, or not able by law to offer a successor agreement to You, then this Agreement will be extended for a period of one year. If at the end of the one-year extension, We still have not offered franchises in the United States, or We are unable by law to offer a successor franchise to You, this Agreement will expire unless further extended by mutual consent. We may decide not to enter into a successor agreement with You if You fail to satisfy Our then-current standards for new franchisees.

2.2.8 Other Obligations. We have the option, but not the obligation, to send all agreements relating to successor term agreements for Your review and execution not less than 12 months prior to the expiration of this Agreement along with a notification of the expiration of this Agreement. Our notice may also state what actions, if any, You must take to correct the deficiencies in the operation of Your Franchise Business and will specify the time period in which these deficiencies must be corrected. Granting of a successor franchise will be conditioned upon Your continued compliance with all the terms and conditions of this Agreement and all other agreements with Us and Our affiliates and subsidiaries and all other creditors and suppliers of Your Franchise Business up to the date of expiration. Your failure to return these agreements to Us within 30 days after receipt will be deemed an election not to renew the franchise. Franchisee may also be awarded an additional successor

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property. You acknowledge that: 1) We have the sole rights in and to the System; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) as between You and Us, We have the sole right to license and control the Marks, System, and all copyrights, Confidential Information, trade names, trade dress, and other Intellectual Property.

3.2 Use of Intellectual Property. You have a non-exclusive right to use the Marks and other Intellectual Property only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of the Intellectual Property, System and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the transfer or Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Intellectual Property and derivatives thereof or any

other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of the Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us. You understand that, by agreement, an unrelated party has the right to use the name “Westside Pizza” for restaurant and carry-out food services.

3.4 Use of Marks. You must only use Our Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You may not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks in any manner that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any inter-company documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees will be under Your entity name.

3.4.1 Cooperation. You must execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You further agree to immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks or any part of the Intellectual Property.

3.4.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logo types and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Our Intellectual Property. Our Intellectual Property and other materials and documents provided to You by or through Us will remain Our sole property. You acknowledge that Our Intellectual Property provided to You by or through Us, and Your knowledge of Our Intellectual Property, are secret, unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.7 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the proprietary names and Marks and other Intellectual Property. You must promptly notify Us in writing of any unauthorized use of our Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of the Intellectual Property

licensed hereunder in which We have an interest. In the event We undertake the defense or prosecution of any litigation pertaining to any such Intellectual Property, You agree to execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent (but You will not have the obligation), undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You may not do any act or make any claim which is contrary to or in conflict with Our rights in the Intellectual Property.

3.8 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that You must use the same solely in the manner prescribed by Us and will carry out Your Franchise Business under such names and Marks in accordance with operational standards established by Us from time to time. You further acknowledge that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Any and all goodwill associated with the Marks and System, that might be deemed to have arisen through Your activities, is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.8.1 Customer Data. All Customers Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free non-exclusive right to use the Customer Data during the term of this Agreement. You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and if We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to the sending of emails or other transmission of information, Including any anti-spam legislation.

3.9 Fictitious Business Name. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a “doing business as” name (“DBA”) using our Marks and Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time. You must conspicuously display a standard sign and/or plaque, as may be provided or required by Us, at Your Franchise Business location indicating that the business is independently operated and owned as a franchised business.

3.10 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of proprietary information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.11 Changes to the System. You shall fully disclose all Improvements to Us, without disclosing the Improvement to others and will obtain Our written approval before using or implementing the Improvement. All Improvements are owned by Us and considered a “work-for-hire” as defined in Section 101 of Title 17 of the United States Code (the “Copyright Act”). If all or part of any Improvement that You create is for any reason deemed not to be a work-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Improvement, and You agree to execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Improvement or derivative thereof, You expressly waive those rights. Any Improvement may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right

to make application for and own Intellectual Property relating to any Improvement, and You will cooperate with Us in securing these rights. We may also consider an Improvement as Our trade secrets. At Our discretion, We may authorize You to utilize Improvements that may be developed by You, Us, or other franchisees.

3.12 Association with Causes or Co-Branding. You cannot, without first receiving Our written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, religious, or other for-profit or non-profit organization, or (ii) act in support of any such organization. You cannot “co-brand” or use the Marks or Your Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive it to be related to or sponsored by the System.

ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS AND LEASE

4.1 Location of Premises. You have 60 days to have a site selected for Your Franchise Business. You must not commit to purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Unless waived by Us in writing, You must obtain a local real estate broker familiar with retail/restaurant tenant representation to help You locate a site. Your Premises must strictly comply with local zoning and, state and federal laws, rules and regulations. We do provide limited assistance to You in locating a location for Your Franchised Business. We will work with Your local broker in finding locations suitable for Your Premises. However, in the end, You will be responsible for choosing a proposed location to send to Us for approval. Neither Our assistance in locating a site or Our approval is a guarantee or a warranty of the potential success of a location.

4.1.1 Location Approval. We must approve Your proposed location. However, it will be Your responsibility, at Your sole cost and expense, to select Your Premises site within Your Trade Area. You must provide Us with the street address of the proposed site and such other information as We request, including pictures or existing brochures of the proposed site. **We do not prepare demographic studies or otherwise evaluate the need for Our products and services in Your Trade Area, nor do We provide You with a site checklist or other similar information, and We do not warrant or guarantee the success of the location or site.**

4.2 Lease. You are required to purchase or lease suitable real property from which to operate Your Franchise Business. A Lease must be in place within eight weeks from the date this Agreement is signed. We do not assist You in negotiating the purchase or the Lease; however, You must use a local real estate broker who will work with Our designated broker to find the site and negotiate Your Lease. We have the right to review Your lease prior to execution. You must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.

4.2.1 Assignment of Lease. You hereby assign and transfer all rights and interest in and to the Lease to Us to be effective upon Our election when this Agreement Terminates. In such event, We will have the right, but not the obligation, to accept the assignment and assume the Lease or execute a lease with You as provided below. We also have the right to assign the Lease to another franchisee. If You own the Premises, You hereby agree to lease the facilities to Us upon Termination of this Agreement at a rate not to exceed its fair market rental value, and on commercially reasonable terms and conditions. Your Lease must include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason, and You are required to have Your landlord consent to the assignment of Lease before the Lease is signed. You and Your Landlord will be required to complete and sign a rider or addendum to the Lease agreement that: (i) grants Us an option to assume Your position as a lessee under the Lease if You are in material default of either the Lease agreement or this Agreement; and (ii) requires the Landlord to fully cooperate with Us in de-identifying the Premises and Franchise Business if this Agreement is Terminated for any reason. The Addendum to Lease and Landlord’s Conditional Assignment is

provided as Exhibit “A-5” to this Agreement and it must be signed by You and Your Landlord. You must provide Us with a copy of this signed Addendum to the Lease within 15 days of execution.

4.2.2 Assumption of Lease. We will have 30 days from the date of Termination of this Agreement, to exercise Our right and option to take and assume the Lease for the Premises. If the option is exercised, We will notify You and the Landlord of Our exercise within the option period. In such event, You agree to bring all obligations under the Lease current as of the date of possession by Us as well as to indemnify Us against all losses and costs arising by virtue of, attributable to, or in any way related to the period of Your possession of the Premises. All taxes, utilities and rentals will be prorated between Us and You as of the date of Our possession. We will not be obligated to pay Your arrearages. After the date of possession, We agree to indemnify You against all Lease obligations solely attributable to the period of Our possession of the Premises. You agree that no compensation for the Lease is payable by Us to You unless the Premises are owned by You. The Lease will be transferred to Us without the payment of any kind to You by Us for the Lease other than the indemnification provided above.

4.3 Construction. Any construction of the Premises must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state and local laws. You must commence construction within 90 days from the signing of this Agreement, and construction must be completed within five months from the date hereof. You are solely responsible for obtaining and securing all necessary permits and must make changes to the standard plans and specifications as necessary to conform with the requirements of local codes and regulations.

4.3.1 Design of Premises. At Your own expense, and unless waived in writing by Us, You are required to meet Our design standards and specifications and to follow Our interior and exterior design specifications. We provide You preliminary design plans for Your Franchise Business. You are required to adapt Your Franchise Business in accordance with local, state and federal laws, rules and ordinances. You are responsible to obtain any required permits.

4.3.2 Setting up Premises. You agree to arrange the fixtures, signs, furniture and décor of the Premises in strict compliance with the format and color schemes recommended by Us and to strictly follow the Franchise System as outlined in the Our Manuals and to work with Our approved suppliers providing such items. In addition, We must approve Your Premises prior to opening. If any elements of the Premises do not meet Our specifications, You will, at Your cost, be required to make the required adjustments.

4.3.3 Abandonment of Construction. Abandonment of construction or stoppage of construction for six or more weeks due to Your fault or neglect will be grounds for terminating this Agreement.

4.3.4 Approval of Construction. We must approve all building plans, in writing, prior to You commencing construction. You may not operate Your Franchise Business if construction, improvements, equipment installation and fixturing do not conform to Our approved specifications. We must approve all floor plans and Premises layout prior to commencing any improvements or construction. In the event that You commence construction without Our approval, or contrary to the approved specifications, You will be responsible for removing and modifying all objectionable items so as to comply with Our specifications and directions, at Your sole expense. You must all obtain all required zoning changes, all required building, driveway, utility, health, sanitation and sign permits and any other required permits and shall obtain all customary contractor’s sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services, and other materials and labor liens.

4.4 Commencing Operations. You are required to commence operations within 30 days after construction of Your Premises is complete or within seven days that Your Premises is approved by Us in writing, whichever comes first, You must commence operations within seven days.

4.4.1 Conditions to Opening. You shall notify Us not earlier than 14 days and not later than 21 days before You intend to open the Franchise Business to the public. Before opening, You must satisfy all of the following conditions: (1) You are in compliance with this Agreement; (2) You have obtained all applicable governmental permits and authorizations; (3) the Franchise Business conforms to all applicable System standards; (4) We have inspected and approved the Franchise Business, which may be done virtually, and You have corrected any defects within 14 days of receiving notice from Us; (5) You have hired sufficient employees; (6) Your officers and employees have completed all of Our required pre-opening trainings; and (7) We have given Your Our written approval to open, which will not be unreasonably withheld.

4.4.2 Failure to Commence Operations. You may be granted up to a 12-month extension at Our discretion if You demonstrate a good faith effort in finding an approved site and completing the required improvements. If You fail to commence operations as provided above, this Agreement is subject to termination by Us, at Our option. You will not receive a refund if You are unable to find an approved location.

4.5 Relocation of Premises. You are not allowed to relocate Your Premises without Our prior written approval. You must give Us at least 60 days' prior written notice of Your desire to relocate. Approval to relocate will be at Our sole discretion unless Your lease expires or terminates and You are without fault, or if the site is destroyed, condemned or otherwise rendered unusable through no fault of You. In such case, We will grant permission to relocate Your Premises to a site which meets Our then-current standards. You must demonstrate the financial ability to relocate as part of Our approval process. Additionally, You must pay Us a relocation Fee to cover Our costs to review and approve the relocation. See Exhibit "A-3."

ARTICLE V FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit "A-3" in one lump sum at the time of execution of this Agreement. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement will exist until the initial franchise fee is paid in full.

5.1.1 Additional Franchises. During the term of this Agreement, You may purchase additional franchises at a discounted initial franchise fee per location as listed in Exhibit "A-3." This option will only be available to You if there are franchise territories available, You meet Our then-current criteria for new franchisees, You are current and not in default of this Agreement, and, in Our sole discretion, We determine to sell You another franchise. You will be required to sign Our then-current franchise agreement, which may have material terms different from this Agreement. You also have the right to reserve the right to additional franchise units by entering into a License Line Agreement for a Fee. This right is available to You in Our sole discretion and only if You are current and not in default of this Agreement.

5.2 Royalty. You shall pay Us a non-refundable on-going weekly royalty as listed in Exhibit "A-3." The royalty is in consideration of Your right to use the Intellectual Property, certain Confidential Information, and the System in accordance with this Agreement, and not in exchange for any specific services We render.

5.2.1 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of "Gross Sales" and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term "Gross Sales" or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit "A-3."

5.3 Marketing Fees.

5.3.1 Marketing Fund. You shall pay Us the monthly Marketing fee as listed on Exhibit “A-3” for Our Marketing and promotion programs as further described in Section 10.1 below. This Fee is payable on the same terms as the royalty. The Marketing fund fees are deposited into a separate bank account specifically designated for Our Marketing activities.

5.3.2 Local Marketing. You must also allocate and spend the amount listed on Exhibit “A-3” for local Marketing and promotion programs in Your Trade Area. The total of amount spent on local Marketing and the Marketing Fund Fee will not exceed 2% of Your Gross Sales. For example, if a Marketing Fund Fee of 1% of Gross Sales is paid, the required local Marketing percentage will be reduced to 1% of Gross Sales.

5.3.3 Marketing Cooperative. In the event a local Marketing Cooperative is formed, You will be required to contribute to the Marketing cooperative as established and assessed by the Marketing Cooperative. See Section 10.2 below.

5.4 Calculation and Reporting. The calculation, reporting and payment of the royalty and Marketing fee specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Payment Due Date. All Fees must be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account not later than 5:00 pm MDT on Friday of each week for the previous week’s sales (Monday through Sunday) (“Due Date”). Our current ACH agreement is attached hereto as Exhibit “A-6” and may be modified by Us at any time in Our sole discretion. We reserve the right to require an alternative payment frequency.

5.4.2 Operating Account. You agree not to have more than one Operating Account. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You will be responsible to pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of \$4,000 in Your Operating Account at all times for business emergencies, even after You pay royalties and other fees to Us.

5.4.3 Late Fees. If a required Fee or report is not timely received by Us, We will assess You a late Fee per violation, as set forth in Exhibit “A-3,” plus interest for each day the Fees or reports are not received by Us. We may also fine You per bounced check or insufficient funds transfer. See NSF Fee in Exhibit “A-3.” These fines are due within upon demand to You, and the amounts may be adjusted by Us from time to time in the Manuals.

5.4.4 Taxes. If there is hereafter assessed any nature of sales tax or use tax or other tax on Fees or other sums previously or hereafter received by Us under this Agreement (“New Tax”), then in addition to all Fees and other payments to be made by You as provided in this Agreement, You must also pay Us or the taxing authority, a sum equal to the amount of such New Tax. Any New Tax paid to Us will be paid when due to the taxing authority.

5.5 Reports and Financial Statements. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals. All reports must be supported by actual physical inventories of supplies and products on hand at the beginning and end of each month.

TYPE OF REPORT	DUE DATE	REMARKS
Gross Sales Report	The 5th day of each month	This report must include the prior month's sales showing all monies received or accrued, sales or other services performed and such other information concerning Your financial affairs, as We may reasonably require.
Financial Statements	The 20th day of each month	This report must be in the format and include the line items as required by Us and prepared by Fran Metrics or other source as may be required by Us.
Local Marketing Report	If we request this report, it will be due the 10 th day of each month for the prior month's advertising expenditures	This report must detail Your expenditures for local marketing in the form We require.
Sales Tax Report	Quarterly, by the 15 th day of the following quarter	
State Tax Return	Within 30 days of the filing due date	
Federal Tax Return	Within 30 days of the filing due date	
IRS Form 941 (Employer's Quarterly Federal Tax Return)	Within 30 days of filing due date	

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, will have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business.

5.5.2 Audit of Books and Records. You must keep all financial and tax records for at least six years. In the event that any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You must immediately pay Us the amount of the deficiency, the appropriate fee for late charges, and You must reimburse Us for the total expense of the audit or investigation, Including, the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any time period or Your failure to retain and have available readable and organized required records will be deemed an understatement by more than 2%.

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.7 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to putting You in default, as determined on a case-by-case basis, Including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine for certain violations of this Agreement and/or the Manuals. The fines are set forth

in Our Manuals. Currently, all non-compliance with Our mandatory policies and procedures results in a 1% of Gross Sales increase in Your royalty payment to Us; this is subject to change without notice to You to decrease the amount only. If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. See Exhibit “A-3.” Such fines are not Our sole remedy. Our decision to impose, or not to impose, a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

ARTICLE VI FRANCHISEE’S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You must adapt, at Your expense, the specifications to Your Franchise Business in accordance with local, state and federal laws, rules and ordinances. You are solely responsible for ensuring compliance with all other applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You must also comply with federal, state, and local health and consumer protection laws and regulations governing the food service industry and concerning food preparation, handling, storage, truth in menu laws concerning menu item names and product labeling, nutritional claims, and local labor regulations, Including minimum age and minimum wage laws.

6.1.1.1 Licensing. You must obtain and maintain all required permits and licenses for the operation of Your Franchise Business. We have not made, and You have not relied on any representation that no licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

6.1.2 Appearance and Customer Service. You must establish and maintain the Premises in a clean, attractive and repaired condition and must give prompt, courteous and efficient service to the public and otherwise operate Your Franchise Business in strict compliance with Our System and policies, practices and procedures contained in the Manuals or otherwise communicated to You in writing and promulgated or provided to You from time to time so as to preserve, maintain and enhance the reputation and goodwill of Our System. You must maintain an adequate number of employees at all time to ensure maximum customer satisfaction and consistent service. We reserve the right to require that Your employees comply with any dress code, Mark or other brand-related standards that We may require, and/or otherwise identify themselves with the Marks at all times in the manner We specify while on a job for Your Franchise Business. You agree to arrange the fixtures, signs, furniture and décor of the Franchise Business in strict compliance with the format recommended by Us.

6.1.3 Signage. You must have the number of interior and exterior signs as required by Us and according to Our specifications. All signs to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You agree to maintain all signs in good condition and to undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You are required to use the location’s pylon/pole or monument sign. You understand and acknowledge that while You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal and Your designated managers, if other than Your Operating Principal, are required to attend and successfully complete Our training program prior to opening Your Franchise Business. The length of training is generally 7 to 12 days but could be longer if Your Operating

Principal or Your designated manager fails to successfully complete the training. Your Operating Principal and Your attendees must complete training at least 30 days prior to the opening of Your Franchise Business. Successful completion will be determined by Our trainers but may Include demonstrating knowledge of basic techniques, knowledge of policies and procedures, food preparation and assembly, daily operations, record keeping, computer system competency, Marketing, and customer service. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us without charge to You for up to three individuals which must Include Your Operating Principal, Your majority owner (if different from Your Operating Principal), Your designated manager, and any assistant managers. All attendees may continue to retake the initial training without a Fee until successful completion has been achieved, but such additional training must immediately follow the initial training without a lapse in time. You must bear the cost of all travel, lodging, meals and all other living costs and expenses and compensation for all of Your attendees at the training session. Attendees must sign a non-disclosure agreement acceptable to Us before attending training.

(i) Replacement Training. Any new Operating Principal or managers must complete the initial training program for a Fee paid to Us. Depending on availability and advanced written notice, this training may take place at Your location, but more likely, the training will take place at Our headquarters. If required, Your new Operating Principal and/or manager must be trained before taking over as Operating Principal or manager.

(ii) Additional Training. Depending on availability and advanced written notice, if You would like additional in-person training, We may provide this training to You. Our current Fee for additional training is listed in Exhibit "A-3." We have the right in Our sole discretion to limit additional training to four days at a time. For all training, You must also bear the costs of travel, food, lodging and compensation of Your management employees and Us (if applicable) in connection with training.

(iii) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending training.

6.1.5 Opening Assistance. We will not send any representatives to assist with this opening assistance until You have sent Us a valid certificate of occupancy for the Premises. If You postpone or reschedule Your opening, or if You fail to provide a valid certificate of occupancy before the scheduled opening training, You must reimburse Us for any of Our costs to reschedule Our opening assistance.

6.1.6 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.7 Management. Your Franchise Business must be managed by either Your Operating Principal or a designated manager who will be required to devote his or her full time, attention and best efforts to the management and operation of Your Franchise Business. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal or designated manager is no longer acting in such capacity.

6.1.7.1 Operating Principal's Obligations.

a. Unless Your Operating Principal will act as the full-time manager of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and employ adequate personnel to operate Your Franchise Business at its maximum capacity and efficiency.

b. Although We do not require Your Operating Principal to be involved in the day-to-day on-premises management, Your Operating Principal is required to participate in Your Franchise Business as

follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (iv) be directly involved in all personnel decisions affecting the Franchise Business; and (v) conduct frequent inspections of the Franchise Business operations to ensure the highest standards of professionalism, cleanliness and general pleasant appearance, and compliance with Our approved methods.

c. Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities which would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.8 Operational Hours. You must operate Your Franchise Business such minimum hours and, on such days, as may be prescribed by Us.

(i) Offsite Delivery Services. You must offer delivery services for the days and times that We specify, currently a minimum of five hours each day, from 4:00 p.m. to 9:00 p.m. Hours of service are to be determined by You, subject to Our approval. The scope of the delivery area will be congruent with the scope of the Your Trade Area. Due to fluctuations in population density and vehicular traffic patterns over time, We may, in Our sole discretion, extend or reduce the delivery area radius in which You must offer delivery services. In the event of a delivery area reduction, such delivery area may not be reduced to less than an area having a two-mile radius, or the size of Your Trade Area, if any, whichever is larger. You acknowledge that the size of the delivery area is based on quality control and operational considerations, which is different from any protected Trade Area granted to You. If We, in Our sole discretion, choose to reduce the area of delivery in Your Trade Area, We will grant You a right of first refusal to acquire the additional delivery area for a fee equal to 50% of Our then-current initial franchise fee.

(ii) Delivery Standards and Requirements: (i) We reserve the right, in Our sole discretion, to designate those food and beverage products which may be offered by You for off-site delivery. Under Our current policy ONLY WITH OUR PRIOR WRITTEN CONSENT MAY YOU OFFER ALCOHOLIC BEVERAGES FOR OFF-SITE DELIVERY; (ii) all pizza and other food and beverage products approved for off-site delivery sales must be prepared at Your Premises, in full compliance with all specifications, standards, operating procedures and rules relating to the quality, taste, ingredients and uniformity, and manner or preparation of pizza, food and beverage items sold at Your Franchise Business location, and in accordance with the Manuals; (iii) You shall employ all efforts necessary to assure that pizza and other food products offered for sale and sold by off-site delivery are delivered to customers fresh and hot, and are of uniform high quality; (iv) You use approved packaging and containers for all off-site delivery sales, and in accordance with the Manuals. We have the right, in Our sole discretion, to approve or disapprove any and all advertising related to off-site delivery sales.

6.1.9 Remodel and Upgrades. At any time after opening Your Franchise Business and at Your expense, You must repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish Your Premises from time to time as We may reasonably direct, but not more often than every five years between required remodels and upgrades (except for required changes to the Marks, which We may require at any time) to conform to the building design, color schemes and presentation of trade dress consistent with Our then-current public image, Including structural changes, new equipment, remodeling, redecoration of the furnishings, fixtures and décor and such modifications to existing improvements as may be reasonably necessary, such that all locations will have a generally similar look and appearance. You must complete all such updates and upgrades within six-months of notice from Us of the requirement to upgrade and otherwise remodel Your Franchise Business as set forth above. During the last 12 months of the term of this Agreement You will not be required to make aggregate expenditures for refurbishing in excess of \$6,000, except in connection with a Premises relocation, or entering into a renewal of the franchise or a successor term agreement, to affect any refurbishing of Your Premises. In the event You relocate Your Premises to a new

approved location or in connection with a successor or renewal franchise agreement, You must bring Your new Premises up to Our then-current standards and there is no cap on expenditures You may have to make.

6.1.10 Your Employees. You are solely responsible for the hiring, firing, compensation, benefits, managing, and training of Your employees. We do not assist You in employment related decisions or in creating any policies or terms and conditions related to the management of Your employees or their employment. We may provide You with an employee guide or manual, but it will only be a sample of certain employment matters unless otherwise expressly provided by Us. It is Your responsibility to comply with local and federal labor and employment laws.

6.1.11 Insurance.

(i) Minimum Limit Requirements. You must at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A” or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time in Our sole discretion:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate or leasehold minimum, whichever is greater
Property insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage. In the event of damage to Your Premises covered by insurance, the proceeds of any such insurance must be used to restore the facility to its original condition as soon as possible (not more than 160 days) unless We consent otherwise in writing.
Commercial automobile insurance	At least \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Business interruption insurance	\$1,000 per day
Employment practices liability insurance	\$1,000,000
Liquor legal liability or “dram shop” insurance	\$2,000,000 per occurrence
Umbrella insurance	\$3,000,000
Government required insurances	You must maintain and keep in force all worker’s compensation and employment insurance on your employees that is required under all federal and state laws.

(ii) Policy Requirements. Other than worker’s compensation, these policies must insure You and Us and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance or operation of the Franchise Business wherever it may be located. These policies will stipulate that We will receive a 30-day written notice prior to, renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain this insurance at Our discretion and

You must pay Us upon demand the premium costs. We may periodically increase the amounts of coverage required and/or require different or additional coverage.

6.1.12 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. Required and suggested pricing will be set forth in the Manuals. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested or required prices. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.13 Computer and POS System. At Your expense, You must purchase or lease the computer and point of sale (“POS”) system and other computer hardware and software systems designated by Us in strict accordance with Our specifications. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense. You must modify and upgrade, all such items, at Your sole expense. You must provide Us full 24-hour 7 day a week access, Including online access, and the right to “upload” or “download” information to and from all POS, computer and other systems, and to the information and data contained in them. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems. You must use any software We designate from time to time. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system.

(i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material, tax returns and financial reports for at least six years following the end of the year in which the items pertain, Including after the Termination of this Agreement. We can require that You use a specific accounting software, and You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You are currently required to use QuickBooks Online for accounting and Fran Metrics for report generation. You are solely responsible for all ongoing fees associated with the use of QuickBooks and Fran Metrics and all other required software. We must have 24/7 independent access to Your accounting and reporting records, and You must provide Fran Metrics with administrative access to Your QuickBooks account. Fran Metrics has the right to share all Your information, reports, and data with Us. Any changes to the accounting management and required software will be made in the Manuals.

(ii) Merchant Account. At Your expense, You agree to participate in Our merchant account, gift card, and other point of sale programs as set forth in Our Manuals.

(iii) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements; however, We reserve the right to approve of the vendor You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements, Including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect

Customer Data and to notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.

6.1.14 Conferences and Seminars. In Our discretion, We may hold annual conferences or seminars on a regional or national basis for all franchisees in good standing. These meetings will enable franchisees to come together to discuss improvements, new developments, mutual concerns and resolve business matters. If We determine to hold a conference or seminar, attendance is mandatory for Your Operating Principal. The conferences and seminars may be held at various locations chosen by Us. We may conduct additional conferences and/or seminars to discuss information relevant to Your Franchise Business as determined by Us. If any conference or seminar is held, You may be required to attend, and You must pay all Fees associated with such conference or seminar (see Exhibit “A-3”). You are required to pay all travel, lodging, food and other expenses for each of Your attendees.

6.1.15 Non-Delegation of Obligations. You may not outsource any part of Your services to a third party, Including to another franchisee without Our prior written approval.

6.2 Quality Control.

6.2.1 Correction of Defects. Should We notify You at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business, You must immediately correct any defect. You must establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You must strictly follow Our System, the Manuals, and other directives promulgated or provided by Us from time to time and to promptly implement such changes in Your Franchise Business, and to act in good faith in all Franchise Business and System matters and dealings. We may approve exceptions or changes from the uniform standards which We, in Our sole discretion, believe necessary or desirable.

(i) Email Address. We will provide an email address to You that You must use as the sole email for all Franchise Business-related communications and accounts. Use of a private email account for business reasons related to Your Franchise Business is prohibited. All Social Media You develop, or use must be attached only to the email address We provide to You.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift, or other discount or incentive program, You are required to implement such program in Your Franchise Business, which may Include access to a bank account, established by You, for card charges made through other franchisees.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals and operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, implement and display any and all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time periods that We specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(iv) Inspections and Visits. We may conduct periodic evaluations, inspections, and audits of all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video or live video conferencing. Our inspections may Include Your Premises, vehicles, business records, operating procedures, reports, computer drives, electronic storage devices, POS system, account records, and tax records. Immediately upon Our request You must provide to Us video and/or images of the interior and exterior of Your Premises, and any specific pieces of equipment or other areas of the Premises and business vehicles as may be more fully set forth in the Manuals. You will be charged a Fee (see Exhibit “A-3”) if You fail to comply with the System after an inspection and notice, and We reasonably determine a re-inspection is necessary.

6.2.3 Interim Management. We have the right, based on Your defaults or poor performance (or as set forth in Section 14.10) to step in to manage Your Franchise Business for a period of time, as We deem advisable for a Fee (see Exhibit “A-3”).

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, employees and other contracted personnel. You are required to cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You agree to add Us or Our representative as a co-signer on certain accounts. You will cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord and suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You will cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You must provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.3 Miscellaneous Obligations.

6.3.1 Personal Guarantees. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, and member, respectively, who own 5% or greater interest, and their spouses, must each personally guarantee the performance of all Your obligations under this Agreement and

agree to be personally bound by, and liable for, the breach of every provision of this Agreement. See Exhibit “A-7.”

6.3.2 Entertainment and Vending Machines. No vending machine, cigarette machine, pool tables, gaming machines, amusement devices, juke boxes, or other entertainment devices of similar nature, whether or not coin operated, are allowed to be installed or used on the Premises without Our prior written consent. Additionally, You may not permit any live entertainment, musicians, motion pictures, or other entertainment, Including dancing.

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.5 Required Notices. You are required to provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.

ARTICLE VII FRANCHISOR’S OPERATIONAL ASSISTANCE

7.1 Layout and Design. We will provide You with general specifications for the Premises layout, signs, equipment and interior décor.

7.1.1 Suppliers and Products. We will provide You with a list of specifications and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers. There is no guarantee or promise that the relationship with any of Our current suppliers will continue or be available to the System. We do not offer assistance in deliver or installation of any item.

7.2 Operations Assistance. For the first 90 days after opening, We will be in contact with You periodically by telephone to discuss Your operational issues. Thereafter, We will furnish You with guidance relating to the general operation of Your Franchise Business and upon Your reasonable request, make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. However, for problems and training for items purchased from a supplier, You must consult with the respective manufacturer or supplier of those items. Other than the initial and opening assistance, We are not required to provide in-person assistance to You. If You feel additional assistance is necessary (such as management training), We will provide such assistance to You based on advance notice, availability of personnel, and Your payment of a per day per person Fee.

7.3 Initial Training. We will train Your Operating Principal and Your designated managers in the various practices, policies and procedures of operation of Your Franchise Business. This training will take place at Our Westside Pizza® store in Boise, Idaho or at another location as designated by Us. The training program is described in Paragraph 6.1.4.

7.3.1 Opening Assistance. We will provide You with seven days of opening assistance and training during Your opening, with at least one representative. For franchisees that open two or more stores, We will provide a minimum of three days for the second and any subsequent stores.

7.4 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, bulletins or other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business in conjunction with an inspection of Your Franchise Business. We have the right to communicate directly with Your Operating Principal, designated managers and assistant

managers concerning operational matters that We reasonably believe affect Our goodwill, Marks, or the System.

7.5 Non-Compliance. We may deny any or all of the above services to You while You are in default of this Agreement or any related agreement with Us or an affiliate.

7.6 Advisory Committees. In Our sole discretion, We may choose to create franchisee committees to advise Us in various aspects of the System. Only franchisees who are in good standing and have maintained good standing for the six-month period prior to serving on a committee may serve on any advisory committee. Each committee will establish rules for admitting and retaining committee members, but the initial rules will be established by Us.

ARTICLE VIII PURCHASE OF PRODUCTS

8.1 Approved Products and Services. You must use, provide, and sell only those products, goods and services that meet Our specifications and/or that are purchased from approved suppliers in accordance with Our Manuals. You must promptly add, remove or modify any product, good, or service immediately upon notice from Us. You are prohibited from selling, leasing or offering any products or services not authorized by Us in writing.

8.2 Your Purchases. We or Our affiliate may derive revenue from the sale of required items and services through mark-ups in prices We charge to You for goods and supplies purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such items and services. Any monies paid to Us for goods or services are non-refundable.

8.3 Unapproved Suppliers. If You desire to purchase any items or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, ingredient lists and other data to permit Us to ascertain whether any such supplier meets Our specifications. We will notify You in writing and within a reasonable time, normally within 30 days of receipt, as to whether such supplier has been approved. There is no fee associated with supplier evaluation unless We require third-party testing, in which case You must pay all costs associated with such third-party testing whether or not the requested supplier is approved. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.

8.4 Equipment. You are required to obtain by purchase or lease all ingredients, materials, supplies and equipment in accordance with Our specifications and as may be necessary for proper and efficient operation of Your Franchise Business, and to maintain such equipment in good working order. All equipment must be new and unused. For problems and training for items purchased from a supplier, You must consult with the respective manufacturer or supplier of those items.

8.4.1 Delivery Vehicles. You are required to ensure that any and all vehicles utilized for off-site delivery: (i) are maintained in good condition and repair and comply with all requirements for the safe and lawful operation of such vehicles on the streets and highways of all applicable localities; and (ii) are operated, at all times, by employees of Your Franchise Business, who shall be duly qualified, authorized and licensed to operate such vehicles and who shall maintain insurance covering liability as a driver as required by this Agreement. You shall further undertake all necessary action to assure that employees operate delivery vehicles safely and lawfully. Subcontracting of or for off-site delivery services is prohibited without Our prior

written approval. You shall carry insurance, in accordance with Our specifications, covering any and all vehicles used for off-site delivery vehicles.

8.4.2 Delivery Vehicle Signage. In Your discretion, vehicles used for off-site delivery services may bear signage indicating that the vehicle is delivery Westside Pizza® products; provided, however, that such signage must be professionally manufactured or produced and shall be subject to approval by Us prior to any public display or use by You. At Our request, You shall exhibit on all delivery vehicles (or on car top signs on all delivery vehicles) signs of sufficient prominence and wording as We may prescribe so as to advise the public that You Franchise Business is owned, operated and maintained by You and that each delivery vehicle is owned, operated and maintained by You or the driver of the vehicle.

8.5 Warranties. You must look to the respective manufacturers or suppliers for issues related to warranties for any third-party goods purchased for Your Franchise Business. We will replace defective items purchased directly from Us pursuant to Our standard limited warranty, if any.

ARTICLE IX MANUALS

9.1 Manuals. We will loan You a copy or provide electronic access to Our Manuals. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property and contain mandatory and suggested specifications, standards and procedures for the operation of Your Franchise Business. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals.

9.2 Standards and Procedures. We may establish performance procedures, standards and specifications, recipes for products, services and Marketing (“Standards”) for the operation of Your Franchise Business and the products and services provided, and which will become part of the Manuals and System. We may change these Standards at Our discretion and You must strictly follow and implement all such Standards within the periods required by Us.

ARTICLE X MARKETING

10.1 Marketing Fund. We have the right to institute, maintain and administer a national Marketing and brand development fund (“Marketing Fund”) for such Marketing or public relations programs as We, in Our sole discretion, may deem necessary or appropriate to Market and promote the System. The Fees for the Marketing Fund are listed in Exhibit “A-3.” You must participate in all Marketing programs instituted by Us.

10.1.1 Marketing Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Marketing Fund can be operated through an entity separate from Us that has all of Our rights and duties relating to the Marketing Fund. We will not be liable for any act or omission with respect to the Marketing Fund or otherwise which is consistent with this Agreement or which is done in subjective good faith. The Marketing Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Marketing Fund and any promotion and Marketing efforts intended to benefit the System. We have the right to loan money to the Marketing Fund to cover any deficits, which loan will accrue interest

at a rate of not more than 5% per annum. The Marketing Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

10.1.2 Use of Marketing Fund Fees. We may use the Marketing Fund to offset a portion of direct costs to manage and maintain the Marketing Fund, including the payment of staff salaries and other expenses for those employees who may be involved in Marketing Fund activities. You must participate in all Marketing programs instituted by the Marketing Fund or by Us, and We may receive payment for providing goods or services to the Marketing Fund. We reserve the right to use fees from the Marketing Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your Trade Area, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused Marketing funds in any calendar year will be applied to the following years' fund. You may request an unaudited annual report of Marketing expenditures within 90 days of the end of each year.

10.2 Marketing Cooperative. At such time as We determine that there are a sufficient number of franchises in a Marketing Area (defined below), as designated by Us, We may form a local and/or regional Marketing cooperative covering such areas as We, in Our discretion, deem appropriate, and We may disburse such funds as We believe appropriate from the Marketing Fund to any such local and/or regional Marketing cooperative for local and/or regional Marketing. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time.

10.2.1 Governing Documents and Financial Statements. We will develop or approve the governing documents and make them available to all franchisees within the Marketing Area. The cooperative will be required to prepare annual unaudited financial statements, and these will be available to all franchisees in the Marketing cooperative for review.

10.2.2 Membership and Voting. Upon the formation of a local or regional Marketing cooperation, You will automatically be deemed to be a member of such association as covers the area in which Your Franchise Business is located and will be bound by any decisions made by the Marketing cooperative upon a majority rule by members voting. Voting will be on the basis of one vote per franchise unit in good standing in the Marketing cooperative. If We or affiliates have a company or affiliate owned restaurant in the Marketing Area, We or Our affiliate will also become a member of the association. A "Marketing Area" is defined as a market with two or more units in the same television, radio or newspaper market, as determined by Us.

10.2.3 Contributions. All franchisees within the Marketing Area will be required to join and contribute to the fund on the same basis or rate. Contributions to the Marketing cooperative will be credited toward your local Marketing obligation. The cost of Marketing and promotional programs will be allocated among the members in the Marketing Area and each member must contribute equally to the local cooperative fund based on a per franchise unit basis in the Marketing Area. You will be required to contribute to the Marketing cooperative as determined by its voting members, but such Fees and costs will not exceed 1% of Your annual Gross Sales unless all voting members of the cooperative decide to exceed the limit.

10.3 Local Marketing Requirement. You are required to Market locally as set forth in Section 5.3.2. In addition, and upon request, You must submit an itemized report to Us documenting proof of expenditures for local Marketing in a form We may require.

10.4 Sample Marketing and Promotional Materials. At Our discretion or upon Your reasonable request, We will provide You samples of Marketing and promotional materials developed by Us from time to time. Additional copies will be made available at cost, plus 10%, plus the cost for shipping and handling.

10.5 Approval of Marketing. You may develop Marketing and promotional materials and digital Marketing programs for Your use at Your cost. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed approved if You do not receive written approval or disapproval within 10 business days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time.

10.5.1 Marketing Compliance. You agree that all Your Marketing and promotional activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon Us and the System. You must submit to Us, prior to publication, copies of all Marketing, promotional and public relations materials, proposed to be used by You, Including, any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published and such other information thereon as may be reasonably requested by Us. You must participate in all Marketing, email, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us and as directed in Our Manuals.

10.6 Internet and Social Media. You may not create a website, apps, or Social Media, or similar electronic media whether now or later developed, or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. You may not engage in Marketing on the Internet, Including posting items/services on third-party re-sell or auction style websites, Including eBay, Craigslist, Amazon.com, or use of apps, without Our prior written permission. If You receive permission from Us for Your own website, use of apps, or Social Media, or similar electronic media, all content must be pre-approved in writing by Us, and You may be required to use Our or other designated website designers to create the site for a fee, and any such website must be ADA compliant. You may be allowed to place pre-approved information concerning Your Franchise Business on Our website and Social Media, as developed by Us. You must provide Us all usernames, passwords and account information and any other information related to any of Your websites and Social Media and/or provide Us with administrator access, immediately upon Our request. Additionally, You must sign the Business Directory and Social Media Authorization for Assignment attached as Exhibit "A-8." You may not claim, link, or frame, any web listing on sites such as Yelp, etc. To the extent that You have any web listings using Our Marks, You hereby assign such accounts to Us, and You must facilitate any transition and assignment with the online directory or Social Media platform within 30 days of signing this Agreement or of creating such listing. You must strictly comply with the policies and procedures established by Us regarding websites, Social Media and Internet Marketing. We can prohibit or condition any use by You of the Internet, or other digital, electronic or Social Media in Our discretion.

10.7 Your Obligations to Market. Neither We nor You are restricted from Marketing Your Franchise Business in the Trade Area. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. You are prohibited from conducting hard or directed Marketing outside of Your Trade Area as more fully set forth in the Manuals.

ARTICLE XI BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure a default within the time periods set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No Cure Period:

- A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.
- B. Unauthorized Duplication. You duplicate the System or use the System or any part thereof, or Our Intellectual Property, or Confidential Information in connection with any other business.
- C. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals within a 12- month period.
- D. Unauthorized Use. You use Our Intellectual Property or Confidential Information other than in connection with the operation of Your Franchise Business.
- E. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.
- F. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business.
- G. Abandonment. You abandon Your Franchise.
- H. Unauthorized Transfer. You attempt to Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You attempt to purport to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.
- I. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records or submit any false report or payment or otherwise defraud Us.
- J. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty to, a felony, a crime involving moral turpitude or any other crime, offense or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Our interest therein; You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media; or You engage in conduct that, in Our good-faith estimation, does or could reflect negatively upon the operations and/or reputation of Your Franchise Business, the System or Us in an adverse manner.
- K. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use the contents of the Manuals, trade secrets or confidential or proprietary information provided to You by Us in violation of this Agreement.
- L. Termination of Lease Agreement. Your Lease for the Premises is terminated.
- M. Loss of Alcoholic Beverage License. You lose your alcoholic beverage license.
- N. Unauthorized Modification. You modify in any degree by adding to or taking from or changing the contents or flavor of any Recipe or other proprietary food items as well as using any substitute ingredients or procedures in violation of the Manuals or this Agreement.

O. Termination of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated.

P. Failure to Open. You fail to open Your Franchise Business and commence operations within 12 months of the date hereof.

48-Hour Cure Period:

Q. Health Code or Safety Violations. You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable governmental agency except for threats to the public safety which may be cause for immediate Termination.

R. Failure to Obtain or Maintain Insurance. You fail to obtain or maintain a required insurance.

5-Day Cure Period:

S. Unauthorized Closure. Your Franchise Business is closed for a period of three or more consecutive days or not open for the business hours as required under this Agreement for three or more days in any 30-day period without Our prior written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your Franchise Business Premises without Our prior written approval.

7-Day Cure Period:

T. Food and Beverage Quality. You fail to comply with any provision of this Agreement or of the Manuals or the System relating to the use of any Marks or the quality of pizza or any beverage sold or the cleanliness or sanitation of Your Franchise Business.

15-Day Cure Period:

U. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

V. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

W. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

20-Day Cure Period:

X. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time period specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

30-Day Cure Period:

Y. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance and, until We receive such assurance, We may reasonably suspend any performance of Our

obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period.

Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time period allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, including, penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate the balance of any outstanding installment obligation due hereunder and bring an action for the entire accelerated balance.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, including lost profits.

11.3.5 Cross Default. In Our sole discretion, We may Terminate any other agreement You or a related entity have with Us.

11.4 No Right of Termination. You may not terminate this Agreement. However, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

11.6 Increased Royalty. In addition to Our other remedies, upon default of this Agreement, We may increase the royalty to 5% of Your monthly Gross Sales for the remainder of the term of this Agreement.

ARTICLE XII TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Accessibility of Premises. If upon Termination of this Agreement, We elect to operate Your Franchise Business at the Premises, You are required to make the Premises available to Us. If You fail to do so, You will be required to pay Us a Fee (see Exhibit “A-3”).

12.1.3 Trade Secret and Confidential Information and Products. Except as provided below in Paragraph 12.1.8, within five days, You must demonstrate with video proof sent to Us that You have permanently destroyed all information and/or products that We deem trade secret or confidential, or in the alternative, provide proof to Us that have sold such products or information to Us or another System franchisee such trade secret and/or confidential products.

12.1.4 Cease Use. Not hold Yourself out as a Westside Pizza® franchisee or business and immediately and permanently cease to advertise or in any way use the System, Intellectual Property, Confidential Information, apps, materials, methods, procedures, processes Marks, or promotional materials provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.5 Disassociation. Within five days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including the removal of signs, destruction of letterheads, changing of telephone listings, telephone numbers, and the like and to assign and transfer the telephone listing, telephone numbers, Marketing accounts, e-mail addresses, URL’s, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL’s, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.6 Cancel DBA. Within five days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.7 Notify Suppliers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification.

12.1.8 Return Materials. Within five days of Termination and at Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail, (Including originals and any copies) physical copies of Our Manuals, all training materials, Marketing and promotional aids and materials and all other printed materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.9 Modification of Premises. If We do not exercise Our right to purchase Your Operating Assets or assume Your Lease upon Termination, then within five days of Termination and at Your expense, You shall alter, modify and change both the exterior and interior appearance of Your Premises to Our satisfaction, so that it will be easily distinguished from the standard or common appearance of a Westside Pizza® business and shall cease using the signs, displays, advertisements, promotional materials and the like that are unique or distinctive to the System.

12.1.10 Pay Damages. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney’s fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement.

12.1.10 Proprietary Information. Cease using or availing Yourself of any of Our proprietary or Confidential Information. All trade secret and/or confidential information must be either physically destroyed or mailed to Us; or sold back to Us or another System franchisee at a negotiated cost.

12.1.11 Customer Data. Provide Us with the Customer Data for all current, prior and expectant customers of the Franchise Business.

12.1.12 Evidence of Compliance. Otherwise furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.13 Gift Card Reimbursement Fee. Upon Termination, You must provide Us with an accounting and list of all outstanding gift cards and gift certificates as of the date of Termination, and You shall refund all customer gift card and gift certificate amounts as required under Your state's applicable laws. In the event We are required to pay any customer reimbursement amounts, You shall pay Us the reimbursement amount, plus a Fee (see Exhibit "A-3") in each instance for Our time. Additionally, to the extent You do not reimburse the customer, You must reimburse Us the amount of unredeemed customer gift cards and gift certificates purchased from You. Subject to state law.

12.1.14 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for 12 months following the date of Termination.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You shall have no equity or other continuing rights to use the System, Intellectual Property or goodwill of the Franchise Business.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by their terms or implication apply following the Termination of this Agreement, survive and apply following Termination of this Agreement, Including Your obligations to indemnify Us and to pay all amounts owed, and You must continue to observe the confidentiality, brand protection, non-competition and other restrictions of this Agreement and the provisions with respect to arbitration and dispute avoidance.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You must make the Premises accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate if We, in Our sole discretion, choose to do so. If You fail to make the Premises available to Us, You will be assessed a Fee (see Exhibit "A-3") for the expense incurred by Us to enforce Our rights under this paragraph.

12.5 Breach of Non-Competition. If You continue to operate Your Franchise Business, or any business offering similar products and services, or use any of the Marks or any aspect of the System after Termination of this Agreement, Our remedies will Include, recovery of the greater of (a) all profits earned by You in the operation of Your business or similar business after such Termination; or (b) all royalties, Marketing

contributions and other amounts which would have been due if such Termination, had not occurred. You also acknowledge that this is not Our only remedy and does not represent a price for the privilege to compete.

12.6 Liquidated Damages. If this Agreement is Terminated, other than for non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future recurring royalty but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the formula set forth on Exhibit “A-3” as a compromise between them on the calculation of such damages. In addition, You must reimburse Us all of Our reasonable attorneys’ fees and costs related to enforcing and collecting these liquidated damages. You and We agree that such amount will be reduced to the present value of such payments as of the date of termination utilizing an interest rate of 18%. This liquidated damages provision only covers Our damages for lost royalties and does not cover any other damages for which We are entitled to pursue and will have available to it all remedies at law and in equity. You agree that this liquidated damages provision does not give us an adequate remedy at law for any other default under, or for the enforcement of, any provision of this Agreement other than lost royalties.

12.6.1 Additional Equitable Remedies. The amounts contemplated under Section 12.6 do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.6 does not preclude and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.

12.7 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your assets, contracts, inventory, equipment, signs, accessories and other personal property relating to Your Franchise Business (collectively “Operating Assets”) at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to by the parties, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later (“Option Period”) by giving written notice to You of Our intent to exercise Our option to purchase. Unless otherwise agreed by You, the purchase price as determined hereunder will be paid within 30 days of providing notice of Our intent to purchase. We have the right to off-set any amounts You owe to Us against the purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens or taxes, We may withhold a portion of purchase price to pay off such lien or taxes. We may also withhold 25% of the purchase price for 90 days to ensure that all other liabilities affecting the Operating Assets are paid.

(i) Interim Management During Option Period. We have the right, but not the obligation, to use Your assets and Premises (if the Lease is still in effect, and in such case, We will obtain this right from the landlord as applicable), and to hire Your employees to operate a Westside Pizza® business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but We will be using Your assets and the Premises to operate Our own, separate Westside Pizza® business (“New Business”) in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the asserts as agreed, but not to exceed fair market rental value, and if we use the Premises, We may pay rent directly to the landlord for Our use of the Premises. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations and will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You will indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, Including attorney’s fees, of or related in any way to the Franchise Business prior to Us operating the New Business at the Premises, and We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, We have the right to change the locks and exclude You from the Premises during this Option Period.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Paragraph 4.2.2 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

13.1.4 Assignability. Our rights under this Section 13.1 are assignable by Us at Our discretion.

ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Our Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the trade areas, territories, retail locations or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You must fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You Without Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, Including representations of all current owners. Therefore, neither this Agreement nor any of its rights or privileges, nor any shares or units in the ownership of Your entity or Your Franchise Business, or substantially all of Your assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You must follow and strictly comply with Our policies related to Transfer of all or any part of Your ownership

or this Agreement. You must provide Us with all documentation relating to the Transfer of Your Franchise Business. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers. You must provide Us written notice of Your intent to Transfer prior to listing or offering the Franchise Business for sale.

14.2.1 Transfers to Competitors Prohibited. You cannot Transfer any part of this Agreement, Your Franchise Business, or any part of Your entity, if applicable, to a competitor of Ours or an affiliate of a competitor of Ours without Our written permission. Any such Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, credit worthiness, background, training, personality, reputation, and business experience of the proposed transferee, the terms and conditions of the Transfer and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 Application for Transfer. Upon any proposed Transfer of this Agreement, or any interest in it, You must submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of this Agreement or Your Franchise Business, You shall pay Us the non-refundable Transfer Fee listed in Exhibit “A-3” at the time of the approved transfer.

14.6 Permitted Transfers. If a proposed Transfer is only among existing owners to an entity controlled by and owned not less than 60% (cumulative during the term of the Agreement) by You, Including Your current owners, there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. However, all guarantors will remain guarantors to this Agreement unless otherwise released by Us in Our sole discretion. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that the Transfer thereof is subject to the restrictions of this Agreement. Any new owner, along with their spouse with an ownership of 5% or more in Your Franchise Business or Your entity must personally guarantee the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us and are grounds for Termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor to otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer this Agreement or Your Franchise Business in whole or in part, or any material portion or property used by You in connection herewith, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of this Agreement or Your Franchise Business and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries, suppliers or creditors must be paid in full. You must have submitted to Us all required reports, financial statements and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with Your Franchise Business must be assumed by the transferee, Including assuming Your Lease obligations, if applicable.

14.8.4 New Franchise Agreement. The transferee must sign the then-current form of the Franchise Agreement for a term equal to, at Our discretion, the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement and fully upgrade and refurbish the Franchise Business and Premises to the level required of new franchisees.

14.8.5 Payment for Training. The transferee must pay for and complete the training program required of new franchisees. See Exhibit “A-3.” The transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee’s attendees. You and the transferee and We must coordinate on the timing of training the transferee, so that the Franchise Business does not have a gap in properly trained management.

14.8.6 Transfer Fee. The transferee must pay the transfer Fee on Exhibit “A-3.”

14.8.7 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.8 Gift Cards. You must provide Us and the proposed transferee with an accounting and list of all outstanding gift cards and gift certificates as of the date of Termination, and You must ensure that payment of all outstanding gift cards is a part of the transfer agreement.

14.8.9 Transfer of Alcoholic Beverage License. The proposed transferee qualifies as a transferee of Your alcoholic beverage license.

14.8.10 Survival of Covenants. Your non-competition, indemnity and confidentiality obligations and the provisions relating to dispute resolutions will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your assets, this Agreement, the Franchise Business or ownership in Your entity (collectively “Assets”) on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, Including the Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer, Including any additional data concerning the transaction requested by Us from You, We will have 30 days in which to advise You in writing of Our election to have the Assets transferred and assigned to Us on the terms and conditions

agreed to by the prospective transferee. Should We elect to purchase the Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article 14. However, if there are any material changes in the terms and conditions of the proposed Transfer after You notify Us of the proposed Transfer, Including any changes in the terms and conditions occurring after We notify You of Our election not to purchase the Assets pursuant to Our right of first refusal, and any of those changes are less favorable to You, You must notify Us of the changes in writing and We will have an additional 10 days within which to elect to purchase the Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within 60 days after We elect not to purchase the Assets, You must re-offer the Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or general partner or manager of an entity franchisee (the term “incapacity” means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 120 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Principal, designated managers, and franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to Your death, incapacity, unexcused absence, poor performance, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse or a third-party all or any part of Your interest in this Agreement or Your franchisee entity and/or in any property related thereto, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement without paying a fee to Us, to a corporation or limited liability company formed for the convenience of ownership, provided You: (1) give Us at least 15 days’ prior written notice of the proposed

Transfer; (2) send Us copies of the entity's charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; (3) own all voting securities of the corporation or limited liability company; and (4) remain as a personal guarantor to this Agreement.

ARTICLE XV RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including, its daily operations, managing and directing employees, contractors, and salespersons and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We will guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You must defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. We will have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, neither You nor Your Immediate Family shall own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, contractor, consultant, partner, officer, director or shareholder of any Competing Business, except with Our prior written consent. You understand and acknowledge that to violate this Section creates irreparable harm. Your owners, members, directors, officers, managers and shareholders must execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4."

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You must adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You agree to never contest the validity of Our exclusive ownership of and rights to the System, Intellectual Property, or the Confidential Information. Without limiting

the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including employees, without first receiving Our express written consent.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You have received information and met and corresponded with Our principals, agents and/or representatives and that any Confidential Information obtained or received as part of any prior meeting or correspondence is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.

16.3 Post-Term Covenants. Upon Termination of this Agreement, and for a continuous, uninterrupted period of two years thereafter, You and Your Immediate Family shall not, directly or indirectly, participate as an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, franchisor, franchisee or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any Competing Business within Your Trade Area or within 20 miles of Your Trade Area or within 20 miles of the territory or trade area of any Westside Pizza® business operation at the time of Termination of this Agreement.

16.3.1 Tolling of Covenant. In addition to other remedies available to Us, in the event You compete during the term of non-competition, this non-compete time period will be tolled and extended for the period of Your competition, plus an additional six months.

16.4 Survival of Covenants. The foregoing covenants will survive the Termination of this Agreement and will apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason.

16.5 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.6 Our Remedies. If the post-term restrictions of this Article are unenforceable or are reduced to a level which We, in Our reasonable business judgment, find unacceptable, We may, in addition to any other remedies available to Us, require You, collect the amounts set forth above in Section 12.5.

16.7 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

ARTICLE XVII DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Salt Lake City, Utah, or at Our then-current headquarters within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert or counsel for any party with respect to the Dispute and any related Dispute.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or at the discretion of the arbitrator if petitioned by either party. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for

fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within a period of one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith. If You bring an action for alleged wrongful termination of this Agreement and provided that the Termination has not resulted in a closure of Your Franchise Business, Your sole remedy will be to be reinstated as a franchisee with no award of damages. If the Termination results in a closure of Your Franchise Business Your sole remedies will be reinstatement as a franchisee and to receive compensation for economic losses directly incurred by You as a result of such closure, conditioned upon Your duty to mitigate.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not Include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the upfront cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of

arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE XVIII NOTICES

18.1 Notices. All notices permitted or required under this Agreement will be in writing and will be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	FRANCHISEE:
Westside Pizza International Inc. 8515 W. Overland Road Boise, Idaho 83709 (or Our then-current headquarters) Email: info@westsidepizza.com With a courtesy copy to (which will not act as notice or service to Westside Pizza International Inc.): The Franchise & Business Law Group Attn : Kara Martin 222 S. Main Street, Ste 500 Salt Lake City, Utah 84101 Email: kmartin@fbglaw.com	_____, LLC/Inc. _____ _____ Facsimile: _____ Email: _____

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the State of Idaho without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such

terms will be deemed incorporated herein, but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the State of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake City, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes, the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

19.6 No Limitation of Our Rights. We may, in Our discretion, elect not to enforce or selectively enforce any provision of this Agreement whether with respect to You or any other franchisee and such acts or omissions will not limit or otherwise affect Our rights to strictly enforce this Agreement.

ARTICLE XX MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that he, she or they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified

copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You cannot offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion or other cause which is beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement, and are binding.

20.12 Effective Date. This Agreement will become effective only when fully executed and accepted by Us at Our headquarters.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or trade area will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of our franchise disclosure document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its Exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are the owners of and sole holders of a legal and beneficial interest in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and to suggest changes to this Agreement and contribute to its substance and form, and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

ARTICLE XXI DEFINITIONS

“Competing Business” means a business, in wholesale or retail, offering products or services the same as or substantially similar to Your Franchise Business or the System at the time of Termination in any capacity, trade area, territory, or location.

“Confidential Information” means any information relating to Our products or services, or the operation of a Westside Pizza® business or relating to the System as a whole, Including: (i) methods for the preparation of Westside Pizza® products; (ii) Our Recipes, methods, techniques, formats, layout, trade dress, specifications, hardware, software, systems, proprietary technology, procedures, equipment, sales and Marketing programs, techniques, and the development and operation of Westside Pizza® businesses; (iii) knowledge of, specifications for, and suppliers of, certain Westside Pizza® products, materials, supplies, equipment, furnishings and fixtures; (iv) operating results and financial performance of Westside Pizza® businesses; (v) Our strategic plans and concepts for the development, operation, or expansion of Westside Pizza® businesses; (vi) the contents of Our Manuals or any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship; (vii) all Customer Data whether maintained or created by Us or You; and (viii) Our Intellectual Property that is generally deemed confidential. Confidential Information further Includes all Improvements whether developed or discovered by Us or You.

“Copyright Materials” means all writings, materials, Manuals, artwork and designs used with the Marks or in association with the System.

“Customer Data” means any and all customers and customer and potential customer data and lists, Including phone numbers, emails, Social Media followers’ information, etc., even if deemed to have arisen through Your activities.

“Dispute” any claim, controversy, disagreement, or dispute of any type whatsoever.

“Fees” refers to those fees, payments, and costs You are required to pay to Us, as more fully set forth on Exhibit “A-3.”

“Gross Sales” Includes the total of all sales of all products, goods or services sold, traded, bartered, or rendered by You and income of every kind and nature Including the value of a trade or other bartering, delivery, or off-site sales, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement and without reserve or deduction for inability or failure to collect. “Gross Sales” excludes bona fide credits and returns for products and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

“Immediate Family” refers to and Includes each of Your spouse, parents, stepparents, children, stepchildren, brothers and sisters, and their spouses or children or step-children, mothers-in-law, and fathers-in-law, sons-in-law, and daughters-in law, brothers-in-law, and sisters-in-law, and any person (other than a tenant, or employee) sharing the Franchise Business.

“Improvement” means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing and promotional ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

“Including” or “Includes” throughout this Agreement means, “including but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

“Intellectual Property” means all parts of the System particular to Us and collectively Includes all Marks, trade dress, names, Copyright Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, software, Recipes, Manuals and other proprietary information.

“Interim Management Period” refers to the period of time during which We step in to manage Your Franchise Business due to Your defaults or poor performance or as otherwise allowed under this Agreement.

“Internet” means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

“Lease” means a commercial lease or other document of occupancy of the Premises.

“Manuals” consists of one or more guides or manuals, Including an operations manual and/or policies and procedures manual, technical bulletins or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be in printed or in an electronic format in Our discretion.

“Marketing.” “Market” Includes advertising, brand development, promoting and selling products and/or services, public relations campaigns, market research and other related processes.

“Marks” means the federally registered and common law trademarks and service marks owned or licensed by Us, whether now or later developed. “Marks” will also include any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

“Operating Account” means that account into which all receipts of Your Franchise Business must be deposited.

“Operating Principal” is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

“Recipes” means Our recipes, kitchen books, ingredients, flavors, compositions, mixes, syrups, spices, sauces, dressings, temperatures, cook temperatures, cook or mix times, measurements, menu items, preparation techniques, methods, and formulas, etc., related to Our food or drink products and menu items.

“Shall” when used in this Agreement (even if not capitalized) means must or other similar affirmative obligation, as the context requires.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

“Termination” or “Terminate” Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, transfer, or any other means by which this Agreement is no longer in effect and wherein You are no longer a franchisee of the Westside Pizza® System.

“Transfer” Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, mortgage or granting of any security interest.

“We,” “Our(s)” or “Us” only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 3.1, 3.5, 11.1, and Articles XI, XV, Includes Our predecessors, parents, affiliates, subsidiaries, and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable, as applicable.

“You” or “Your” Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

WE CANNOT RELIABLY PROJECT YOUR FUTURE PERFORMANCE, REVENUES OR PROFITS, AND YOU REPRESENT, COVENANT AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING YOUR SUCCESS AS A FRANCHISEE AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF THE BUSINESS OPERATIONS UNDER THIS FRANCHISE AGREEMENT. THE SUCCESS OF YOUR BUSINESS IS LARGELY DEPENDENT ON YOUR PERSONAL EFFORTS.

WE EXPRESSLY DISCLAIM THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNING, INCOME, PROFITS, GROSS REVENUES, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF YOUR FRANCHISE BUSINESS.

YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO HAVE THIS AGREEMENT AND RELATED DOCUMENTS REVIEWED BY YOUR OWN ATTORNEY.

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

FRANCHISEE:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

If the franchisee is not an entity, each person must sign personally.

By: _____
(Signature)

By: _____
(Signature)

Name: _____, personally

Name: _____, personally

**EXHIBIT “A-1”
TO THE FRANCHISE AGREEMENT**

**TRADE AREA:
(Map may be attached)**

The Trade Area will consist of the following area: _____
_____.

Franchisee Initial and Date

Franchisor Initial and Date

APPROVED PREMISES LOCATION:

The Franchise Premises located at:

**Our approval of the Trade Area or a site is not a guarantee or a warranty
of the potential success of a Trade Area or a site.**

You understand that you must maintain sales of at least \$12,000 per month during the term of this Agreement. If Your sales fall under \$12,000 per month for three consecutive months, We may cancel Your Trade Area’s partial protection.

Franchisee Initial and Date

Franchisor Initial and Date

EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

- | | |
|--|--|
| ☐ Partnership | ☐ Corporation |
| ☐ Sole Proprietorship | ☐ Limited Liability Company |

Name of Entity: _____

State Entity was formed: _____/Date of Formation: _____

EIN: _____

You must write below the name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership or limited liability company.

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

List the names of the officers of the Company:

Name	Title	Manager/Officer

The address where Your company records are maintained is:

_____.

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make decisions relating to the operations of the Franchise Business:

Name: _____

Address: _____

Email: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws by _____.

Dated: _____.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

**EXHIBIT “A-3”
TO THE FRANCHISE AGREEMENT**

FEE CHART

The following Fees are more fully described in the Franchise Agreement.

Type of Fee*	Amount	Notes
Trade Area Adjustment Fee*	50% of the then-current initial franchise fee	See Paragraph 1.1.2
Successor Franchise Fee*	\$1,000	See Paragraph 2.2.4
Relocation Fee*	\$4,000	See Section 4.5
Initial Franchise Fee*	\$25,000	See Section 5.1
Initial Franchise Fee for Additional Approved Units*	50% of then-current initial fee	See Paragraph 5.1.1
License Line Fee	Our then-current initial franchise fee	See Paragraph 5.1.1
Royalty*	4% of Gross Sales	See Section 5.2
Marketing Fund Fee*	Up to 1% of Gross Sales, but not less than \$1,000 per month	See Paragraph 5.3.1
Local Marketing Requirement	Lesser of 2% of Gross Sales or \$2,000 per month	See Paragraph 5.3.2
Advertising Cooperative*	Up to 1% of Gross Sales	See Paragraph 5.3.3
Late Fees	\$50 per day, per report, plus 1% of Gross Sales	See Paragraph 5.4.3
Interest on Late Payments and Reports	18% or state maximum	See Paragraph 5.4.3
NSF Fee	\$50 per bounced check or insufficient draft	See Paragraph 5.4.3
Tax Reimbursement Fee	Sum equal to tax imposed	See Paragraph 5.4.4
Audit Charge	Cost of audit	See Paragraph 5.5.2
System Non-Compliance Fines and Charges	1% increase in royalty	See Section 5.9
Additional Trainees at Initial Training	\$60 per person per hour	See Paragraph 6.1.4
Replacement Training	\$60 per person, per hour	See Paragraph 6.1.4(i)
Additional In-Person Training	\$60 per person, per hour	See Paragraph 6.1.4(ii)
Delivery Territory Right of First Refusal Fee	50% of our then-current initial franchise fee	See Paragraph 6.1.9
Insurance Procurement Fee	Varies	See Paragraph 6.1.11
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.13(iii)
Conference and Seminar Fee	Currently \$0	See Paragraph 6.1.14
Compliance Inspection Fee	\$60 per hour	See Paragraph 6.2.2(iv)
Interim Management Fee	\$400 per day per representative	See Paragraph 6.2.3 and 14.10
Supplier Evaluation Fee	\$0 unless We use a third-party, in which case you pay all fees incurred by the third-party	See Section 8.3
Fees on Default	Attorney’s fees, costs, interests and audit costs	See Section 11.2

Post-Termination Customer Gift Card Fee	Up to \$300 per occurrence	See Section 12.1.13
Failure to Make Premises Available Post-Termination	\$2,500	See Paragraph 12.1.2 and Section 12.4
Early Termination Liquidated Damages Fee	The higher of \$50,000, or the total expected royalty payments to be made over the then-remaining term of the franchise agreement multiplied by 60% of your highest monthly royalty payments prior to termination. For example, if the highest royalties paid in a month during the term of this Agreement were \$3,000 and there were 36 months remaining on the term of this Agreement, Our liquidated damages would be \$64,800 ($\$3,000 \times 60\% \times 36 = \$64,800$).	See Section 12.6
Transfer Fee*	\$4,500	See Section 14.5
Transfer Fee of Less Than 60% Ownership*	Legal and administrative fees and costs incurred	See Section 14.6
Indemnification	Varies	See Section 15.2
Dispute Resolution Fees	Varies	See Section 17.2

*All fees, except those identified with an *, are the current fees and may be changed in the Manuals in Our discretion, but any such fee will not exceed 5%, or as increased by any third-party supplier. There may be other fees and fines listed in the Manuals.

**EXHIBIT “A-4”
TO THE FRANCHISE AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of the effective date listed below by and between **WESTSIDE PIZZA INTERNATIONAL INC.**, (“Franchisor”) and the undersigned (“Principals”).

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor (“Franchise Agreement”) so as to be able to obtain the rights to operate a Westside Pizza® Business using the System developed by Franchisor, Including certain confidential and proprietary information of Franchisor (“Franchise Agreement”); and

WHEREAS, Principals will have access to such proprietary information; and

WHEREAS, Franchisor has developed confidential and proprietary Recipes for the operation of a Westside Pizza® Franchise Business and may continue to develop new Recipes and revise current Recipes and other menu items for use in association with the Westside Pizza® System; and

WHEREAS, Principals will have access to the confidential and proprietary Recipes; and

WHEREAS, Principal recognizes the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognizes that the Franchisor’s entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her company or their, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain knowledge of confidential matters, Recipes, the System, and products developed, used, licensed to, and owned by Franchisor and made available to Principals, which are necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively and profitably operate. Principals acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required under the Franchise Agreement, Principals and any of a Principal’s Immediate Family shall not, during the term of the Franchise Agreement and any Successor Franchise or Successor Term Agreement (except as allowed under the purposes of the Franchise Agreement or Successor Term Agreement) or any time thereafter, in perpetuity, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials which he or she knows, or reasonably should know, is regarded as confidential to Franchisor. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement will constitute Confidential Information and will be subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following

the execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Confidentiality Agreement and further agree to require all employees to report to it any reasonably suspected attempts to violate this Confidentiality Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.2 Employee Use of Recipes. Each employee authorized to use the Recipes in the operation of the Franchise will be required to sign a confidential Recipe agreement prior to use of the Recipes. Furthermore, Principals represent and warrant that they will only authorize employees over the age of 18 to use or have access to the Recipes. All managers must all sign a confidentiality agreement that contains a confidential Recipe agreement. A form of such agreement will be provided by Franchisor, and a copy of all such signed agreements will be promptly (within 10 days) provided to Franchisor.

2.3 No Reverse Engineering. Principals will not either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any Recipe, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering will include any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.4 Limited Use. Principals must limit his/her use of the Recipes, Including, their recollection of the Recipes, to the performance of their duties as described in the Franchise Agreement, the Manuals, and any policies and procedures implemented by the Franchisor and shall not use the Recipes for any personal use or gain.

3. Non-Competition. The following covenants will be enforced during and after the term of the Franchise Agreement.

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises hereof, except as permitted under the Franchise Agreement, each Principal agrees that Principal and any Principal's Immediate Family shall not own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, consultant, contractor, partner, officer, director or shareholder of any Competing Business, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section creates irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, and for a continuous, uninterrupted period of two years thereafter, neither Principals, nor Principals' Immediate Family, nor any members, managers, owners, partners, officers, directors, agents, affiliates or principal employees of Principals' company, shall, directly or indirectly, participate as an owner, operator, shareholder, director, partner, consultant, agent, member, manager, employee, contractor, advisor, officer, lessor, lessee, franchisor, franchisee or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any business, firm, entity, partnership or company engaged in any Competing Business within the Trade Area or within 20 miles of the Trade Area or within 20 miles of the territory or trade area of any System franchise or Westside Pizza® business operation at the time of Termination of the Franchise Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principals each

agree that the Franchise Business attracts customers from up to 20 miles, and that such geographical restraint is not unreasonable.

3.2.1 Tolling of Covenants. In the event Principal competes during the term of non-competition, this non-compete time period will be tolled and extended for the period of such Principal's competition, plus an additional six months.

4. Non-Solicitation of Customers. Principals shall not, during the term of the Franchise Agreement and any extensions or Successor Franchise and for two years thereafter, directly or indirectly, contact any former or then-current customer of the Franchise Business, Franchisor, or of an affiliate of Franchisor for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the franchise entity, each Principal agrees to deliver to Franchisor (and will not keep a copy in his or her possession or deliver to anyone else) the Westside Pizza® Manuals and any and all Recipes, Customer Data and Confidential Information.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor, will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether or not arising from this Agreement of the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the State of Idaho without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the State of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal and agrees that proper jurisdiction and venue for all dispute resolution will be exclusively in the state and federal courts of Salt Lake City, Utah.

9. Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals will survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED _____.

FRANCHISOR:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
(Signature)

Name: _____

Title: _____

PRINCIPAL:

By: _____
(Signature)

Name: _____

Title: _____

EXHIBIT "A-5"
TO THE FRANCHISE AGREEMENT

LEASE ADDENDUM & CONDITIONAL ASSIGNMENT OF LEASE

This ADDENDUM is attached to and is made part of that certain Lease, by and between: ("LESSOR")
and _____ ("LESSEE" or "FRANCHISEE") dated:
_____ for the property located at: _____ ("Premises").

A. **CONDITIONAL ASSIGNMENT:** LESSEE hereby conditionally assigns all of the LESSEE's right, title and interest in this Lease to Westside Pizza International Inc. ("Franchisor"). This assignment becomes effective only upon occurrence of both of the following conditions:

1. Termination of the Franchise Agreement between Franchisor and LESSEE as Franchisee for the operation of the Westside Pizza outlet within the Premises, and

2. Exercise by Franchisor of its option to assume the obligations of and to replace LESSEE as the lessee under this Lease as provided in the Franchise Agreement between Franchisor and LESSEE within 30 days after termination of the Franchise Agreement.

LESSEE agrees that at such time as Franchisor exercises its option to become the LESSEE under this lease, LESSEE will immediately vacate the Premises without removing any fixtures, parts, or accessories except as authorized in the Franchise Agreement and LESSOR agrees to permit Franchisor to enter upon and take possession of the Premises. LESSOR will take all legal action necessary to remove LESSEE if LESSEE refuses to vacate the Premises.

LESSOR is hereby authorized and directed to rely solely upon written notice by Franchisor of the termination of the Franchise Agreement and exercise by Franchisor of its option to become the lessee under the Lease and is hereby relieved of any and all liability to LESSEE for any action it takes in so relying.

LESSOR hereby consents to this Conditional Assignment of Lease and hereby agrees that if this assignment becomes effective, Franchisor shall thereafter be substituted for LESSEE as the Lessee in this Lease, LESSEE shall be relieved of all liability accruing under this Lease after the effective date of the assignment and Franchisor shall have the right to reassign this Lease to a new franchisee without the prior consent of LESSOR. In the event of such reassignment, Franchisor shall be relieved of all liability accruing under this Lease after the date of said reassignment.

B. **LANDLORD NOTICES:** LESSOR agrees to send to Franchisor copies of all notices that it sends to LESSEE. Copies of these notices shall be sent to:

Westside Pizza International Inc.
8515 W. Overland Road
Boise, ID 83709

or to such other address that Franchisor provides to LESSOR.

C. **DEFAULT BY LESSEE:** In addition to the notices agreed to be given in the preceding paragraph, LESSOR agrees to give Franchisor 30 days prior written notice of its intention to re-enter and repossess the Premises and to cancel the Lease on account of LESSEE's default of any of its terms, conditions or provisions. During the 30-day period, Franchisor may cure such default or otherwise exercise its rights under this Conditional Assignment.

D. **OPTION TO RENEW:** In the event that LESSEE fails to exercise any option which LESSEE might have under the Lease to renew it prior to its expiration, LESSOR agrees to notify Franchisor in writing of

LESSEE's failure to renew the Lease, and Franchisor shall then have 15 days from the receipt of such notice to exercise any option to renew and replace LESSEE as the lessee under the Lease.

E. **PERMITTED USES OF THE PREMISES:** The Premises may be used only for the operation of the franchise business, as approved from time to time by Franchisor. The Lessor hereby consents to the use and display of signs and other promotional materials associated with the franchise business. Franchisor has the right to enter the Premises for purposes permitted by law or by contract with the Franchisee, including, but not limited to, conducting inspections, protecting Franchisor's tradename and trademarks, correcting deficiencies under the Lease, planning and inspecting periodic renovations, and assuring compliance with the Franchise Agreement.

F. **FRANCHISOR'S CONSENT TO TRANSFER:** Lessor hereby acknowledges that, pursuant to the Franchise Agreement, Franchisor has the right to obtain written notification and prior consent to any transfer of the Franchisee's interest in the Lease, business or any sublease, in whole or in part.

G. **INSURANCE:** All policies of insurance required to be maintained by the terms of the Lease shall name Franchisor as an additional named insured and loss payee, as appropriate. The insurance policies shall also provide that Franchisor shall receive 30 days' written notice at its address set forth above of any material amendments, termination, expiration or cancellation of any such insurance policies. Franchisor shall be provided with certificates of insurance which indicate Franchisor as a named insured and, upon reasonable request by Franchisor, it shall be provided with copies of all insurance policies and endorsements thereof.

H. **MISCELLANEOUS:** Nothing contained in this Lease Addendum and Conditional Assignment shall be construed so as to create a partnership or joint venture between the parties.

I. **LESSOR CONTACT:** The name, phone number, email, and mailing address for the person authorized to act on behalf of the Lessor is: _____
_____.

IN WITNESS WHEREOF, LESSOR and LESSEE have each executed this Lease Addendum and Conditional Assignment of Lease effective _____.

LESSOR:

LESSEE:

By: _____
Its: _____

By: _____
Its: _____

**EXHIBIT “A-6”
TO FRANCHISE AGREEMENT**

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I hereby authorize Westside Pizza International Inc., hereinafter called (“Company”), to initiate debit entries to my ☐ checking account / ☐ savings account (select one) indicated below at the depository financial institution named below, hereinafter called (“Depository”), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Routing Number: _____ Account Number: _____

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

Name: _____
(please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

**EXHIBIT “A-7”
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is entered into and made effective as of _____ by and between **Westside Pizza International Inc.**, (“We,” “Us” or “Our”) and the undersigned Guarantor(s) (“Guarantor(s)”) owners of _____ (the “Business Entity”) and their spouses or legal domestic partner (“spouse”).

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _____ (the “Franchise Agreement”), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)’ execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)’ capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)’ direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)’ liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)’ liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney’s assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII

(disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Spouse's Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Franchise Agreement and Guarantor(s)' performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original, and when said counterparts have been exchanged between the parties, they will be of full force and effect.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed and sealed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature

By: _____
(Signature)

(Print Name)

By: _____
(Signature)

(Print Name)

By: _____
(Signature)

(Print Name)

Spouse's Signature

By: _____
(Signature)

(Print Name)

By: _____
(Signature)

(Print Name)

By: _____
(Signature)

(Print Name)

**EXHIBIT “A-8”
TO THE FRANCHISE AGREEMENT**

BUSINESS DIRECTORY AND SOCIAL MEDIA AUTHORIZATION FOR ASSIGNMENT

This BUSINESS DIRECTORY AND SOCIAL MEDIA ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between _____ (“Franchisee”) and Westside Pizza International Inc. (“Franchisor”).

RECITALS

WHEREAS, Franchisee has entered into a Westside Pizza® Franchise Agreement with Franchisor coterminous with this Assignment (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Westside Pizza® trademark, trade names, trade dress, and other associated intellectual property (collectively, the “Marks”) in conjunction with Franchisee’s Westside Pizza® Franchise Business; and

WHEREAS, under the Franchise Agreement, all Marketing materials, Marketing accounts, Customer Data, together with the telephone number(s), directory listings, fax numbers, Internet Web site addresses and domain names, and other listings (collectively the “Business Directory Accounts”) and digital media accounts used in the Franchise Business or used or created in any way by Franchisee to promote or use the Marks, Including, Franchisee’s Facebook, Instagram, Pinterest, Google listings, Twitter, LinkedIn, Tumblr accounts, and the like (collectively the “Social Media Accounts”), whether in electronic or other media belong to Franchisor; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Business Directory Accounts, Social Media Accounts and other digital media accounts used in the Westside Pizza® Franchise Business or used or created in any way by Franchisee to promote or use the Marks. Franchisee shall take all action necessary to grant exclusive access to the Business Directory Accounts and the Social Media Accounts to Franchisor, Including providing all passwords and administrative access to such Business Directory Accounts and Social Media Accounts.

2. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Business Directory Accounts:

- a. Franchisee has the right to assign the Business Directory Accounts and Social Media Accounts and they are free and clear of all liens and encumbrances.
- b. Franchisee shall not, after Termination of the Franchise Agreement, attempt to access, control, interfere with, or obstruct the Business Directory Accounts or Social Media Accounts.
- c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Business Directory Accounts or Social Media Accounts.

- d. Franchisee has not taken, or permitted, any action that would prevent Franchisor from enjoying the full benefits of assignment of the Business Directory Accounts and Social Media Accounts to Franchisor hereunder.

3. Franchisee hereby directs and authorizes each company associated with, or in control of, the Business Directory Accounts and Social Media Accounts to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Business Directory Accounts and Social Media Accounts. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Business Directory Accounts and Social Media Accounts to Franchisor hereunder.

4. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

5. This Assignment shall be governed, construed and interpreted in accordance with the laws of the State of Idaho without giving effect to its conflicts of law provisions.

6. The parties intend this Assignment to be the full and complete agreement between Franchisee and Franchisor as relates to the assignment and transfer of Social Media Accounts, whether oral or written, and whether occurring before or contemporaneously with the execution of this Assignment.

7. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISOR:

Westside Pizza International Inc.

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

**EXHIBIT “A-9”
TO FRANCHISE AGREEMENT
STATE SPECIFIC ADDENDA**

ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

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 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. The franchisee may terminate the Franchise Agreement under any grounds permitted by law. Termination of the Franchise Agreement due to sale/merger/transfer of the franchisor or the franchise system may not be enforceable under Washington law (see section 14.12 of the franchise agreement).

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.

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 the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 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. A general release at termination or expiration is not enforceable in Washington. 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 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.

[Remainder of Page Intentionally Left Blank]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20__.

FRANCHISOR:
WESTSIDE PIZZA INTERNATIONAL INC.

FRANCHISEE:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

INDIVIDUALS:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

**EXHIBIT B
TO THE FDD**

FINANCIAL STATEMENTS

December 31, 2020
December 31, 2019
December 31, 2018

WESTSIDE PIZZA INTERNATIONAL INC.

**INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS**

AS OF DECEMBER 31, 2020

**WESTSIDE PIZZA INTERNATIONAL INC.
FINANCIAL STATEMENTS**

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Independent Auditors' Report

To the Board of Directors
WESTSIDE PIZZA INTERNATIONAL INC.

Opinion

We have audited the financial statements of WESTSIDE PIZZA INTERNATIONAL INC. (a Corporation established in the State of Washington, United States of America), which comprise the statements of financial position as of December 31, 2020, the income statements, statements of cash flow statement for the year then ended, as well as notes that include a summary of the relevant accounting policies and other explanatory information. The financial statements have been prepared under Generally Accepted Accounting Principles in the United States (US GAAP).

In our opinion, these financial statements reasonably reflect, in all material respects, the financial position of WESTSIDE PIZZA INTERNATIONAL INC. (a Corporation established in the State of Washington, United States of America) as of December 31, 2020 and its financial performance, as well as its cash flows for the year ending on that date, in conformity with the Generally Accepted Accounting Principles of the United States (US GAAP).

Basis for Opinion

We conducted our audit 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. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WESTSIDE PIZZA INTERNATIONAL INC. as of December 31, 2020 and the results of its operations for the year December 31, 2020 ended in accordance with accounting principles generally accepted in the United States of America.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Accepted Accounting Principles in the United States (US GAAP) as described in Note 1 of the financial statements and through the internal control determined by management, relevant to the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management intends to liquidate the company or cease operations, or have no realistic alternative but to do so.

Those in charge of the company's Governance are responsible for overseeing the reporting process of the company.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Audit Standards, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit conducted in accordance with the United States Generally Accepted Accounting Principles (US GAAP), we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Company's management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Company's governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

March 25, 2021
JPizars – CPA & Business Consultants LLC
Hollywood, Florida

Juan A. Pizarro Llanos, MAcc, CPA, CFE, CRMA | CEO T: 954-997-2545 | O: 1722 Sheridan St. #365 Hollywood, FL 33020 |
E: jpizars@cpa.com

Westside Pizza**BALANCE SHEET**

(Expressed in US Dollars)

	<u>Year ended December 31, 2019</u>	<u>Year ended December 31, 2020</u>
Assets		
Current assets		
Cash and cash equivalents (Note 3)	\$ 83,052	150,052
Other assets	177,905	145,356
Total current assets	260,957	295,408
Furniture, Equipment and Property Improvement -net	16,000	30,313
Other assets		
Total assets	\$ 276,957	325,721
Liabilities and Stockholder's Equity:		
Current liabilities		
Accounts payable – PPP Grant (Note 2)	\$ 73,122	27,036
Other liabilities	85,933	171,917
Total current liabilities	159,055	198,953
Stockholder's Equity		
Owner Draw (Note 2)	(18,049)	(1,229,725)
Members Equity and Net Income	135,951	1,356,493
Total Retained Earnings	117,902	126,768
Total liabilities and stockholder's equity	\$ 276,957	325,721

See notes to the financial statements.

Westside Pizza
INCOME STATEMENT
(Expressed in US Dollars)

	<u>Year ended December 31, 2019</u>	<u>Year ended December 31, 2020</u>
Income		
Food Services Franchise & Royalties		
Income from Operations	\$ 846,104	875,292
	<u>846,104</u>	<u>875,292</u>
Administrative Expenses		
Administrative Expenses	662,914	121,442
Personnel	47,239	193,622
	<u>710,153</u>	<u>315,064</u>
Operating profit	<u>135,951</u>	<u>560,228</u>
Net income	<u>\$ 135,951</u>	<u>560,228</u>

See notes to the financial statements.

Westside Pizza

Statement of Cash Flows

January 2019 - December 2020

	JAN - DEC 2019	JAN - DEC 2020	TOTAL
OPERATING ACTIVITIES			
Net Income	135,950.69	560,228.01	\$696,178.70
Adjustments to reconcile Net Income to Net Cash provided by operations:			\$0.00
Accounts Receivable	-2,808.63		\$ -2,808.63
loan to Surge Investments	-25,008.73	26,600.00	\$1,591.27
Loan to Swift Investments		100.00	\$100.00
loan to WSP 43 LLC	-88,167.54	-12,028.02	\$ -100,195.56
loan to WSP Holding	-10,000.00		\$ -10,000.00
Other Current Assets:Colfax sale A/R	6,000.00		\$6,000.00
Other Current Assets:Credit Card Holding Account	1,533.20		\$1,533.20
Other Current Assets:Food Inventory	6,403.00		\$6,403.00
Other Current Assets:Gift Card - Tendercard Holding	3.18		\$3.18
Other Current Assets:Loan to Officer	-259.95		\$ -259.95
Royalties Receivable	-2,465.88		\$ -2,465.88
Accounts Payable	-1,529.51		\$ -1,529.51
Credit Card Accounts:Chase Credit Card	116,294.06	124,797.04	\$241,091.10
Credit Card Accounts:Chase Credit Card:Rodney 1513	-109,183.97	-131,880.14	\$ -241,064.11
Deferred Franchise revenue	115,450.33		\$115,450.33
EIDG Grant		3,000.00	\$3,000.00
Idaho State Tax Commission Payable:Sales Tax Payable	-1,612.17		\$ -1,612.17
Loan from Officer.	259.95	7,347.54	\$7,607.49
Payroll Liabilities	1,485.00		\$1,485.00
Payroll Liabilities:Child Support Payable	-1,369.75		\$ -1,369.75
Payroll Liabilities:Idaho State Income Tax	-142.50		\$ -142.50
PPP Funding		27,036.00	\$27,036.00
Tender Card	3,922.04	12,661.98	\$16,584.02
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	8,802.13	57,634.40	\$66,436.53
Net cash provided by operating activities	\$144,752.82	\$617,862.41	\$762,615.23
INVESTING ACTIVITIES			
Fixed Assets:Accumulated Depreciation	-82,205.72		\$ -82,205.72
Fixed Assets:Office Equipment	7,427.32	-2,438.07	\$4,989.25
Fixed Assets:Restaurant Equipment	36,473.71		\$36,473.71
Fixed Assets:Restaurant Equipment Idaho	43,264.97		\$43,264.97
land	-16,000.00		\$ -16,000.00
Leasehold Improvements	5,677.25		\$5,677.25
Leasehold Improvements Idaho	64,563.66		\$64,563.66
Other assets	-11,875.00		\$ -11,875.00
Net cash provided by investing activities	\$47,326.19	\$ -2,438.07	\$44,888.12
FINANCING ACTIVITIES			
Retained Earnings	-29,817.00		\$ -29,817.00
Shareholder Distributions:Aaron Olson	-63,550.00	-274,212.34	\$ -337,762.34
Shareholder Distributions:Rodney Nelson	-63,550.00	-274,212.34	\$ -337,762.34
Net cash provided by financing activities	\$ -156,917.00	\$ -548,424.68	\$ -705,341.68

Westside Pizza

Statement of Cash Flows

January 2019 - December 2020

	JAN - DEC 2019	JAN - DEC 2020	TOTAL
NET CASH INCREASE FOR PERIOD	\$35,162.01	\$66,999.66	\$102,161.67

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

History of the Company

The Company was organized under the laws of the State of Idaho, United States of America was registered as a company in year 1996. Company started to franchise in 2006 and is in the Food and Beverage Industry (Pizza).

Note 1. Significant Accounting Policies Summary

a. Annual Closing Date:

The Company's fiscal year ends on December 31 of each year.

b. Credit Risk Concentration:

Cash equivalents and trade receivables are the financial instruments that potentially concentrate most of the Company's credit risk.

c. Earnings per Common Share:

Basic earnings per common share are calculated by dividing the total income by the weighted-average number of common shares outstanding during the year. Diluted earnings per common share are calculated using the weighted-average number of common and common equivalent shares outstanding during the year.

d. Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand and highly liquid investments, primarily money market funds and fixed time deposits, with original due dates of three months or less.

e. Furniture, Equipment and Property Improvement:

Fixed assets are stated at acquisition cost. Expenditures that extend the useful life of assets are capitalized and expenditures for repair and maintenance are charged as expenses. Depreciation is calculated on the straight-line method over the estimated life of the assets.

Assets	Years
Hardware and Software	3 – 5
Office, furniture and equipment	5 – 7
Leasehold improvements	10

f. Impairment:

The Company reviews long-lived assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If a recoverability evaluation is required, the estimated undiscounted future cash flows directly associated with the asset is compared to the asset's carrying amount. If this comparison indicates that there is impairment, the amount of the impairment is

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

calculated by comparing the carrying value to discounted expected future cash flows or comparable market values, depending on the nature of the asset. All long-lived assets, for which management has committed itself to a plan of disposal by sale, are reported at the lower of carrying amount or fair value less the cost to sell. Long-lived assets to be disposed of other than by sale are classified as held and used until the date of disposal.

g. Financial Instruments:

The Company's financial instruments are primarily comprised of short-term, notes receivable and notes payable. For short-term instruments, the historical carrying amount is a reasonable estimate of fair value. Fair values for long-term financial instruments not readily marketable are estimated based upon discounted future cash flows at prevailing market interest rates. Based on these assumptions, management believes the fair market values of the Company's financial instruments are not materially different from their recorded amounts as of December 31, 2020.

h. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the contingent assets and liabilities disclosure as of the date of these financial statements. Management's use of estimates also affects the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

i. Revenue Recognition:

Westside Pizza International follows the 5 step guidelines in the revenue recognition process as outlined in ASC 606. These steps are the following:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

Note 2. Net Income & Payment Protection Program Grant

As of December 31, 2020, net income is for the amount of \$107,120 after all obligations are covered. Westside Pizza International Inc. obtained PPP Funding on July 2020 for the amount of \$27,036. The funding was obtained from Wells Fargo PPP Funding and Westside Pizza is currently in the process of getting the loan forgiven.

Note 3. Cash and Cash Equivalents

	<u>2020</u>
Cash in Banks in USD	\$ <u><u>150,052</u></u>

Note 4. Approval of the Financial Statements

The Financial Statements as of December 31, 2020, were approved by the Company's management on February 25, 2021.

Westside Pizza International, Inc.

Financial Statements

December 31, 2019 and 2018

(With Independent Accountant's Report Thereon)

JOSEPH B GLASS & ASSOCIATES
Certified Public Accountant



Joseph B Glass & Associates

Certified Public Accountant

190 South 200 East

Blanding, Utah 84511

Tel. 801-414-3325 Fax. 801-304-0475

e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

The Board of Directors
Westside Pizza International, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Westside Pizza International, Inc., which comprise the balance sheet as of December 31, 2019 and 2018, and the related statements of net income, comprehensive income and retained earnings and cash-flows for the years then ended, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westside Pizza International, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America,

A handwritten signature in cursive script that reads "Joseph B Glass & Associates". The signature is written in dark ink and is positioned above the printed name of the firm.

Joseph B Glass & Associates

Blanding, Utah

March 10, 2020

Westside Pizza International, Inc.

Balance Sheets

December 31, 2019 and 2018

	2019	2018
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 83,052	47,890
Trade notes and accounts receivable	15,247	9,972
Inventory	-	6,403
Other current assets	4,660	3,436
Total current assets	<u>102,959</u>	<u>67,701</u>
Loans to affiliated companies	148,623	28,446
Property and equipment:		
Land	16,000	16,000
Office furniture and equipment	760	71,926
Leasehold improvements	-	70,241
	<u>16,760</u>	<u>158,167</u>
Less accumulated depreciation	(760)	(82,966)
Net property and equipment	<u>16,000</u>	<u>75,201</u>
Other assets - deferred franchise expense (less current portion of \$2,500)	9,375	-
	<u>\$ 276,957</u>	<u>171,348</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable and accrued expenses	43,605	32,480
Current portion of deferred franchise revenue	29,517	-
Total current liabilities	<u>73,122</u>	<u>32,480</u>
Deferred franchise revenue excluding current portion	85,933	-
Stockholders' equity:		
Common Stock, No par value, 1000 shares authorized and outstanding	1,000	1,000
Additional paid-in capital	19,332	19,332
Retained earnings	97,570	118,536
Total stockholders' equity	<u>117,902</u>	<u>138,868</u>
Commitments and contingencies	-	-
	<u>\$ 276,957</u>	<u>171,348</u>

See accompanying notes to financial statements.

Westside Pizza International, Inc.
Statement of Net Income, Comprehensive Income and Retained Earnings
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue:		
Royalty fees	\$ 664,892	619,385
Food sales	-	344,443
Rebates	159,345	157,368
Franchise sales and amortized income	21,867	16,750
Total revenue	<u>846,104</u>	<u>1,137,946</u>
Less cost of sales	2,435	158,665
Gross profit	<u>843,669</u>	<u>979,281</u>
General and administrative expenses	662,914	798,827
Net income from operations	<u>180,755</u>	<u>180,454</u>
Other income (loss):		
Deferred gain on sale of Chelan Store	-	7,000
Loss on sale of Inventory and equipment	(46,604)	-
Other	1,800	-
Net income	<u>135,951</u>	<u>187,454</u>
Other comprehensive income	-	-
Total comprehensive income	<u>135,951</u>	<u>187,454</u>
Retained earnings - beginning of the year	118,536	91,282
Cumulative effect of change in accounting method for revenue recognition	(29,817)	-
Distributions to stockholders	(127,100)	(160,200)
Retained earnings - end of year	<u>\$ 97,570</u>	<u>118,536</u>

See accompanying notes to financial statements.

Westside Pizza International, Inc.
Statement of Cash Flows
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net income	\$ 135,951	187,454
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of inventory and equipment	46,604	-
Depreciation	-	24,431
Decrease (increase) in accounts receivable	(5,275)	12,391
Decrease (increase) in inventory	-	(454)
Decrease (Increase) in prepaid insurance expense	-	50,284
Decrease (increase) in other current assets	(1,224)	1,994
(Decrease) Increase in insurance contract payable	-	(44,804)
Increase in deferred franchise expense	(9,375)	-
(Decrease) in accounts payable and accrued expenses	11,125	(8,792)
(Decrease) Increase in deferred franchise revenue	85,633	(5,250)
Decrease in deferred gain Chelan Store	-	(7,000)
Net cash provided by operating activities	<u>263,439</u>	<u>210,254</u>
Cash flows from investing activities:		
Acquisition of equipment and leasehold improvements	-	(19,996)
Loans to affiliated companies	(101,177)	(28,446)
Net cash used by investing activities	<u>(101,177)</u>	<u>(48,442)</u>
Cash flows from financing activities - distributions to stockholders	(127,100)	(160,200)
Net increase in cash and cash equivalents	<u>35,162</u>	<u>1,612</u>
Cash and cash equivalents - beginning of year	47,890	46,278
Cash and cash equivalents - end of year	<u>\$ 83,052</u>	<u>47,890</u>
Supplemental disclosures of cash flow information,		
Cash paid during year for:		
Interest	\$ 1,572	1,964
Income taxes	-	-

See accompanying notes to financial statements.

Westside Pizza International, Inc.
Notes To Financial Statements
December 31, 2018 and 2017

(1) Organization, Line of Business, and Summary of Significant Accounting Policies

(a) Organization and Line of Business

Westside Pizza International, Inc. (Company) was formed to develop and engage in all phases of the business of franchising, marketing and or owning Westside Pizza Stores.

(b) Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(c) Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible loans and accounts receivable are charged off after all reasonable collection efforts have been utilized. No allowance for expected losses was considered necessary at December 31, 2019 and 2018.

Accounts receivable are deemed to be past due when payments are more than 30 days late.

(d) Property and Equipment

Office furniture and equipment and leasehold improvements are stated at cost. Depreciation is calculated using straight line and accelerated methods over the estimated useful lives of the assets.

(e) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

(f) Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. There were no differences between the net income for the years ended December 31, 2019 and 2018.

Westside Pizza International, Inc.
Notes To Financial Statements
December 31, 2018 and 2017

(1) Organization, Line of Business, and Summary of Significant Accounting Policies (continued)

(g) Income Taxes

The stockholders have elected to have the Company be taxed as a small business corporation under Subchapter S of the Internal Revenue Code. Consequently, federal income taxes are not payable by the Company. Stockholders are taxed individually on their share of the Company's earnings. The Company's net income is allocated among the stockholders in accordance with their ownership.

(h) Franchise Fee Revenue

The Company recognizes revenues from franchise sales and royalty fees. Franchise fee revenue is recognized, in accordance with current revenue recognition standards, on a straight-line basis over the term of the franchises ranging from 60 to 120 months.

Other performance obligations related to franchise sales such as training, etc. are billed separately from the franchise fee and are recognized as revenue when the obligation is satisfied.

In addition to initial franchises fees, franchisees are required to pay 4% of future sales as continuing franchise fees or royalties.

(2) Franchise, Royalty and Other Revenue

Effective January 1, 2019 the Company adopted the revenue recognition provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) statement 606 (Standard). As provided for under the Standard, the Company recognized the cumulative effect of implementing the standard as a reduction of retained earnings as of January 1, 2019 in the amount of \$29,817. The Company elected to apply the guidance of the Standard to all uncompleted contracts as of January 1, 2019. The offset to the reduction in retained earnings was an increase in deferred franchise fee liability on January 1, 2019.

During 2019 the Company sold 6 franchises. As of December 31, 2019, the Company had approximately 35 individual franchise outlets in operation.

In addition to initial franchises fees, franchisees are required to pay 4% of future sales as or royalties. During the year ended December 31, 2019 and 2018 the Company earned \$664,892 and \$619,385 in royalty fees from franchisees.

Westside Pizza International, Inc.
Notes To Financial Statements
December 31, 2018 and 2017

(3) Advertising and Promotion

During the years ended December 31, 2019 and 2018 the Company incurred a total of \$7,537 and \$48,226 as advertising and promotion expense, respectively. Advertising and promotion costs are expensed as incurred.

(4) Concentrations of Credit

The Company's customers consist primarily of individuals living in the western United States.

(5) Leases

The Company has commercial leases for corporate office and store space under noncancelable operating lease agreements. Rental and related expense under these leases for the years ended December 31, 2019 and 2018 totaled \$46,906 and \$101,472 respectively.

Future minimum lease payments under these noncancelable operating lease are as follows:

Year ended December 31:

2020	\$ 42,219
2021	43,484
2022	44,792
2023	46,142
2024	47,521
Thereafter	24,109
	<u>\$ 248,267</u>

(6) Related Party Transactions

During the year ended December 31, 2019 the Company sold certain pizza stores and related inventory, equipment and leasehold improvements to a related party for a total consideration of \$19,000. As a result of this transaction the Company incurred a loss of \$46,204.

(7) Subsequent events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through March 10, 2020, the date that the financial statements were issued.

(8) Advances to affiliated companies

At December 31, 2019 a total \$148,623 had been advanced to affiliated companies without interest. These amounts are due on demand anytime after December 31, 2020.

Westside Pizza International, Inc.

Financial Statements

December 31, 2018 and 2017

(With Independent Accountant's Report Thereon)

JOSEPH B GLASS & ASSOCIATES

Certified Public Accountant



Joseph B Glass & Associates

Certified Public Accountant

190 South 200 East

Blanding, Utah 84511

Tel. 801-414-3325 Fax. 801-304-0475

e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

The Board of Directors
Westside Pizza International, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Westside Pizza International, Inc., which comprise the balance sheet as of December 31, 2018 and 2017, and the related statements of net income, comprehensive income and retained earnings (accumulated deficit) and cash-flows for the years then ended, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westside Pizza International, Inc. as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America,

Joseph B Glass & Associates

Joseph B Glass & Associates

Blanding, Utah

March 20, 2019

Westside Pizza International, Inc.

Balance Sheets

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 47,890	46,278
Trade notes and accounts receivable	9,972	22,363
Inventory	6,403	5,949
Prepaid insurance expense	-	50,284
Other current assets	3,436	5,430
Total current assets	<u>67,701</u>	<u>130,304</u>
Loans to affiliated companies	28,446	-
Property and equipment:		
Land	16,000	16,000
Office furniture and equipment	71,926	57,607
Leasehold improvements	<u>70,241</u>	<u>64,564</u>
	158,167	138,171
Less accumulated depreciation	<u>(82,966)</u>	<u>(58,535)</u>
Net property and equipment	<u>75,201</u>	<u>79,636</u>
	<u>\$ 171,348</u>	<u>209,940</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Insurance contract payable	\$ -	44,804
Accounts payable and accrued expenses	32,480	41,272
Deferred franchise revenue	-	5,250
Deferred gain on sale of Chelan Store	<u>-</u>	<u>7,000</u>
Total current liabilities	32,480	98,326
Stockholders' equity:		
Common Stock, No par value, 1000 shares authorized and outstanding	1,000	1,000
Additional paid-in capital	19,332	19,332
Retained earnings	<u>118,536</u>	<u>91,282</u>
Total stockholders' equity	138,868	111,614
Commitments and contingencies	-	-
	<u>\$ 171,348</u>	<u>209,940</u>

See accompanying notes to financial statements.

Westside Pizza International, Inc.
Statement of Net Income, Comprehensive Income and Retained Earnings (Accumulated Deficit)
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue:		
Royalty fees	\$ 619,385	635,070
Food sales	344,443	323,701
Rebates	157,368	152,024
Franchise sales	16,750	2,000
Total revenue	<u>1,137,946</u>	<u>1,112,795</u>
Less cost of sales	158,665	154,304
Gross profit	<u>979,281</u>	<u>958,491</u>
General and administrative expenses	798,827	743,141
Net income from operations	<u>180,454</u>	<u>215,350</u>
Other income - deferred gain on sale of Chelan Store	7,000	12,000
Net income	<u>187,454</u>	<u>227,350</u>
Other comprehensive income	-	-
Total comprehensive income	<u>187,454</u>	<u>227,350</u>
Accumulated deficit - beginning of the year	91,282	(11,068)
Distributions to stockholders	(160,200)	(125,000)
Retained earnings - end of year	<u>\$ 118,536</u>	<u>91,282</u>

See accompanying notes to financial statements.

Westside Pizza International, Inc.
Statement of Cash Flows
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net income	\$ 187,454	227,350
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	24,431	18,067
Decrease (increase) in accounts receivable	12,391	(3,363)
Decrease (increase) in inventory	(454)	192
Decrease (Increase) in prepaid insurance expense	50,284	(5,526)
Decrease (increase) in other current assets	1,994	(1,033)
(Decrease) Increase in insurance contract payable	(44,804)	5,854
(Decrease) in accounts payable and accrued expenses	(8,792)	(86,421)
(Decrease) Increase in deferred revenue	(5,250)	5,250
Decrease in deferred gain Chelan Store	(7,000)	(12,000)
Net cash provided by operating activities	<u>210,254</u>	<u>148,370</u>
Cash flows from investing activities:		
Acquisition of equipment and leasehold improvements	(19,996)	(7,522)
Loans to affiliated companies	<u>(28,446)</u>	<u>-</u>
Net cash used by investing activities	(48,442)	(7,522)
Cash flows from financing activities - distributions to stockholders	(160,200)	(125,000)
Net increase in cash and cash equivalents	<u>1,612</u>	<u>15,848</u>
Cash and cash equivalents - beginning of year	46,278	30,430
Cash and cash equivalents - end of year	<u>\$ 47,890</u>	<u>46,278</u>
Supplemental disclosures of cash flow information,		
Cash paid during year for:		
Interest	\$ 1,964	8,297
Income taxes	-	-

See accompanying notes to financial statements.

Westside Pizza International, Inc.
Notes To Financial Statements
December 31, 2018 and 2017

(1) Organization, Line of Business, and Summary of Significant Accounting Policies

(a) Organization and Line of Business

Westside Pizza International, Inc. (Company) was formed to develop and engage in all phases of the business of franchising, marketing and or owning Westside Pizza Stores.

(b) Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(c) Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible loans and accounts receivable are charged off after all reasonable collection efforts have been utilized. No allowance for expected losses was considered necessary at December 31, 2018 and 2017.

Accounts receivable are deemed to be past due when payments are more than 30 days late.

(d) Property and Equipment

Office furniture and equipment and leasehold improvements are stated at cost. Depreciation is calculated using straight line and accelerated methods over the estimated useful lives of the assets ranging from 5 to 7 years.

(e) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

(f) Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. There were no differences between the net income for the years ended December 31, 2018 and 2017.

Westside Pizza International, Inc.
Notes To Financial Statements
December 31, 2018 and 2017

(1) Organization, Line of Business, and Summary of Significant Accounting Policies (continued)

(g) Income Taxes

The stockholders have elected to have the Company be taxed as a small business corporation under Subchapter S of the Internal Revenue Code. Consequently, federal income taxes are not payable by the Company. Stockholders are taxed individually on their share of the Company's earnings. The Company's net income is allocated among the stockholders in accordance with their ownership.

(h) Franchise Fee Revenue

Franchise fee revenues are recorded after all of the Company's obligations related to the franchise sale (training, etc.) have been provided to the franchisee.

(2) Inventory

Inventory is stated at the lower of cost or market, using the First In, First Out (FIFO) method.

(3) Insurance Contract Payable

The insurance contract payable at December 31, 2017 is due in 9 monthly installments of \$5,156 with interest at 8.47%.

(4) Franchise, Royalty and Other Revenue

During the year ended December 31, 2017 the Company sold 1 franchise with initial franchise fees totaling \$5,250.

Since the Company had not fully satisfied its obligations to the franchisee at December 31, 2017 and since the franchisee had not commenced operations at that date, the initial franchise fees is included in deferred revenue on the accompanying balance sheet at December 31, 2017.

In addition to initial franchises fees, franchisees are required to pay 4% of future sales as or royalties. During the year ended December 31, 2018 and 2017 the Company earned \$619,385 and \$635,070 in royalty fees from franchisees.

As of December 31, 2018 the Company had approximately 28 individual franchise outlets in operation.

(5) Advertising and Promotion

During the years ended December 31, 2018 and 2017 the Company incurred a total of \$48,226 and \$51,667 as advertising and promotion expense, respectively. Advertising and promotion costs are expensed as incurred.

Westside Pizza International, Inc.
Notes To Financial Statements
December 31, 2018 and 2017

(6) Concentrations of Credit

The Company's customers consist primarily of individuals living in the western United States.

(7) Leases

The Company has commercial leases for corporate office and store space under noncancelable operating lease agreements. Rental and related expense under these leases for the years ended December 31, 2018 and 2017 totaled \$101,472 and \$98,069 respectively.

Future minimum lease payments under these noncancelable operating lease are as follows:

Year ended December 31:

2019	\$ 85,288
2020	87,854
2021	90,488
2022	93,206
2023	96,009
Thereafter	<u>157,913</u>
	\$ <u>610,758</u>

The Company also leases certain restaurant equipment under noncancelable operating leases. Future minimum lease payments under these noncancelable operating lease are as follows:

Year ended December 31:

2019	\$ <u>14,686</u>
	<u>14,686</u>

(8) Subsequent events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through March 20, 2019, the date that the financial statements were issued.

(9) Advances to affiliated companies

At December 31, 2018 a total \$28,446 had been advanced to affiliated companies without interest. These amounts are due on demand anytime after December 31, 2019.

**EXHIBIT C
TO THE FDD**

**SCHEDULE OF FRANCHISEES:
(as of December 31, 2020)**

CURRENT FRANCHISES

	FRANCHISEE	ADDRESS	CITY, STATE, ZIP	PHONE
California				
1	Mighty Titus 411 Inc.	5020 Rhonda Road, Ste A	Anderson, CA 96007	530-365-6777
2	Humboldt Home Slice, LLC	600 F. Street	Arcata, CA 95521	707-822-9990
3	Pacific Coast Pizza, LLC	432 S. Fortuna Blvd.	Fortuna, CA 95540	707-832-9552
4	Phillip Knight	5835 Clark Road	Paradise, CA 95969	530-762-4920
5	Joyful Chord 125 Inc.	536 N. Market Street	Redding, CA 96003	530-243-3777
Idaho				
6	PanHandle Pizza, LLC	020 ID-41 Suite 1	Post Falls, ID 83854	208-773-4000
7	Westside Pizza Star Inc.	11200 West Hercules Drive #100	Star, ID 83669	208-286-9030
Utah				
8	Clarke Restaurants Unlimited LLC	3639 W. 2600 N.	Plain City, UT 84404	801-675-5554
Washington				
9	Deathby Aberdeen Inc.	1420 Summer Ave.	Aberdeen, WA 98520	360-533-8000
10	Westside Pizza L&D LLC	323 Highschool Road NE, Suite #3	Bainbridge Island, WA 98810	206-780-0755
11	AP McCurdy Inc.	4260 Cordata Parkway, #107	Bellingham, WA 98226	360-756-5055
12	Kirsch West Inc.	1217 Sylvan Way	Bremerton, WA 98310	360-377-7770
13	Kyle Grote Inc.	135 S. Jefferson Street N	Buckley, WA 98321	360-829-0800
14	Dean-Will Enterprise Inc.	137 E. Woodin Ave.	Chelan, WA 98816	509-682-4321
15	Best Pizza Colfax LLC	208 1/2 N Main	Colfax, WA 99111	509-397-0000
16	DG Enterprises Inc.	301 S. Main Street	Ellensburg, WA 98926	509-925-3900
17	McCurdy Inc.	102 W Main Street	Everson, WA 98247	360-922-7395
18	AP McCurdy Inc.	1887 Main St, Suite 104	Ferndale, WA 98248	360-778-1167
19	We Sell Pizza, LLC	4040 Orchard St. South, Ste 110	Fircrest, WA 98466	253-565-2665
20	PBL Development LLC	25960 Ohio Ave NE, Suite #102	Kingston, WA 98346	360-297-6800
21	McCurdy Inc.	107 3rd Street	Lynden, WA 98264	360-354-1555
22	Deano's Enterprises Inc.	113 S. Main Street	Montesano, WA 98563	360-249-4700
23	Westside Pizza Newport LLC	325 S. Washington Avenue	Newport, WA 99156	509-447-2200
24	Cash Flow Investments Inc.	612 South Lincoln Street	Port Angeles, WA 98362	360-457-9900
25	Viking Pizza LLC	19168 Jensen Way NE	Poulsbo, WA 98370	360-697-3400
26	Kendall Enterprises Inc.	704 F Street SW	Quincy, WA 98848	509-787-8777
27	Cash Flow Investments Inc.	540 West Washington Street	Sequim, WA 98382	360-683-3100
28	Deathby Inc.	421 S. 1 st St.	Shelton, WA 98584	360-426-7000

COMPANY-OWNED LOCATIONS

	ADDRESS	CITY, STATE, ZIP	PHONE
1	8489 W. Overland RD	Boise ID 83709	208-322-1000
2	140 South 72 nd Avenue, Ste #130	Yakima, WA 98908	509-225-9820

FRANCHISEES WHO HAVE HAD AN OUTLET TRANSFERRED, TERMINATED, CANCELLED, NOT RENEWED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER A DIRECTOR'S AGREEMENT DURING THE MOST RECENTLY COMPLETED FISCAL YEAR OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE DISCLOSURE DOCUMENT ISSUANCE DATE*:

TRANSFERRED FRANCHISEES:

STATE	FRANCHISEE	CITY, STATE, ZIP	PHONE
California	Pacific Coast Pizza, Inc. ¹	Arcata, CA 95521	360-876 9296
California	Mighty Titus 411 Inc	Redding, CA. 96003	530-243-3777
Idaho	Westside Pizza Star, Inc. ²	Star, ID 83669	208-286-9030

¹ The Arcata franchise location transferred on January 1, 2020 and so was also listed in the 2020 FDD

² The Star, Idaho franchise location was transferred to new owners but the entity remained the same.

TERMINATED FRANCHISEES: None

STATE	FRANCHISEE	CITY, STATE, ZIP	PHONE
Washington*	Jared & Meg's LLC	Rochester, WA 98579	(360) 239-7680

* This franchisee signed a franchise agreement in January 2020 but never opened its location, and then signed a mutual termination agreement in March 2021.

SIGNED BUT NOT OPENED

STATE	FRANCHISEE	CITY
Idaho	JSJM, LLC	Coeur d'Alene
Washington	Noor Pizza Place Corp.	Centralia
Washington	WSP1 LLC	Belfair
Washington	Jared & Meg's LLC	Lacey
Washington	Ybarra Corporation	Snohomish,

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

Westside Pizza Advisory Committee, which is sponsored by the franchisor. There is no website for this committee. The five committee members are:

NAME	ADDRESS	PHONE	EMAIL
Tanner Stephens	1276 Carlsburg Road Sequim, WA 98382	(206) 769-1285	tjs@westsidepizza.com
Jeremiah Grubs	3605 Seneca Court Redding CA 96001	(805) 264-1408	jeremiahgrubbs@gmail.com
Daniel Lawson	Shadowbrook Court Loleta, CA 95551	(707) 832-9552	caligye21@yahoo.com
Maureen Daniels	13409 NE Cambridge Crest Bainbridge Island, WA 98110	(206) 409-4875	daniels_6861@msn.com
Brian McCurdy	107 3 rd Street, Lynden, WA 98264	(360) 303-1947	brianmccurdy@westsidepizza.com

**EXHIBIT D-1
TO THE FDD**

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	New York Department of State		One Commerce Plaza, 99 Washington Avenue, 6 th Floor, Albany, NY 12231-0001	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities	Salem, OR 97310	(503) 378-4387

		Labor and Industries Building		
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

If a state is not listed, Westside Pizza International Inc. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Westside Pizza International Inc. has appointed an agent for service of process.

**EXHIBIT D-2
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California		Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1350 Front Street, Room 2034, San Diego, CA 92101-3697 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360

Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 st Floor, New York, NY 10005	(212) 416-8236 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580	(202) 326-3128

**EXHIBIT E
TO THE FDD
STATE SPECIFIC ADDENDA**

STATE REGULATIONS FOR THE STATE OF CALIFORNIA

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. 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.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur in Salt Lake City, Utah or the city of our then-current headquarters with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah or the city of our then-current headquarters and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Idaho, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
8. You must sign a general release if you transfer, renew or terminate 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).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document 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 this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.
11. OUR WEBSITE at www.westsidepizza.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.
12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

Item 6 under Late Fees is amended to include the following:

“The highest interest rate allowed in California is 10% annually.”

Item 19 is amended to include the following:

“The earnings claims figures do not reflect the costs or expenses that must be deducted from the 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 business. Franchisees or former franchisees, listed in this offering circular, may be one source of this information.”

ADDENDUM TO THE FDD FOR THE STATE OF WASHINGTON

ADDITIONAL RISK FACTOR

THE FRANCHISOR IS AWARE OF POSSIBLE SUPERIOR RIGHTS AND/OR INFRINGING USES OF ITS TRADEMARKS. THE FRANCHISOR HAS CHOSEN NOT TO UNDERTAKE INVESTIGATORY ACTION INTO THE MATTER. IF A THIRD PARTY HAS SUPERIOR RIGHTS TO THE TRADEMARKS, THE FRANCHISEE MAY BE PREVENTED FROM USING THEM IN THAT JURISDICTION. IN ADDITION, IF THE FRANCHISOR FAILS TO POLICE INFRINGING USES OF THE TRADEMARKS, PROCEEDINGS COULD BE INITIATED THAT MAY RESULT IN THE LOSS OF THE TRADEMARKS' FEDERAL LEGAL BENEFITS AND RIGHTS.

Item 3 is amended to add the following:

On February 15, 2019, Westside Pizza International, Inc. entered into an Assurance of Discontinuance ("AOD") with the State of Washington. The AOD provides that Westside Pizza International, Inc. will not engage in employee anti-poaching between its franchisees or between franchisees and the franchisor.

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 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. The franchisee may terminate the Franchise Agreement under any grounds permitted by law. Termination of the Franchise Agreement due to sale/merger/transfer of the franchisor or the franchise system may not be enforceable under Washington law.

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.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

A release or waiver of rights executed by a franchisee will 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. A general release at termination or expiration is not enforceable in Washington. 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 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.

**EXHIBIT F
TO THE FDD
MANUAL TABLE OF CONTENTS**



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**EXHIBIT G
TO THE FDD**

AREA DEVELOPMENT AGREEMENT

**WESTSIDE PIZZA INTERNATIONAL INC.
AREA DEVELOPMENT AGREEMENT**

THIS AREA DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into effective _____ by and between **WESTSIDE PIZZA INTERNATIONAL INC.**, a Washington corporation (“We,” “Us,” or “Franchisor”), and _____ (“You,” “Your,” or “Area Developer”):

RECITALS:

WHEREAS, We have developed a system for the operation of a pizzeria business known as Westside Pizza®, offering to the public pizza, pastas, salads, and other related products and services. The system Includes, specific Marks, interior layout, design and décor, color schemes, standards, Manuals, recipes, menus, processes, services, know-how, operating procedures and marketing concepts, specifications for and the use of certain equipment, the sale of products, food and supply items, and the use of proprietary and Confidential Information and other Intellectual Property (“System” or “Westside Pizza System”); and

WHEREAS, recognizing the value of the System and the benefits which may be obtained by use of the System, You desire to acquire the right to develop and operate multiple Westside Pizza® Franchise Units in the Territory described below and pursuant to the terms and conditions of this Agreement; and

WHEREAS, You understand and acknowledge the importance of Our high standards of quality and the necessity of operating Your Development Business and Franchise Units in strict conformity with Our quality control standards and specifications;

WHEREAS, You declare that You have fully investigated and have familiarized Yourself with the essential aspects and purposes of the System and have and have had the opportunity to be advised by counsel chosen by You of the terms and conditions of this Agreement and understand that Your consistent and uniform presentation of the System for each Franchise Unit is essential; and

WHEREAS, all capitalized terms used but not defined herein will have the respective meaning assigned to them pursuant to the Westside Pizza® Franchise Agreement signed concurrent with this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby agree as follows:

Article 1 - Definitions

1.1 Unless otherwise clearly required by the context, when used in this Agreement the following terms will have the following described meanings:

“Competing Business” means a business, in wholesale or retail, offering products or services the same as or substantially similar to Your Development Business, any Franchise Business, or the System at the time of Termination in any capacity or location.

“Confidential Information” means any information relating to Your Development Business, Your Franchise Businesses, Our products or services, or the development or operation of a Westside Pizza® business or relating to the System as a whole, Including: (i) methods for the preparation of Westside Pizza®

food and other products; (ii) Our Recipes, methods, techniques, formats, layout, specifications, hardware, software, systems, proprietary technology, procedures, equipment, sales and Marketing programs, operating procedures, development schedules, techniques, and knowledge and experience in the development and operation of Westside Pizza® businesses; (iii) knowledge of, specifications for, and suppliers of, certain Westside Pizza® Products, materials, supplies, equipment, furnishings and fixtures; (iv) operating results and financial performance of Westside Pizza® businesses; (v) Our strategic plans and concepts for the development, operation, or expansion of Westside Pizza® businesses; (vi) the contents of Our Manuals or any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship; (vii) all customer data, Including names, phone numbers and email addresses whether created by Us or You; and (viii) certain other Intellectual Property generally deemed confidential. Confidential Information further includes all enhancements or modifications to the System or any component part of the System whether developed or discovered by Us or You.

“Development Business” means the business of developing of Westside Pizza® Franchise Businesses in the Territory and in compliance with the Development Schedule.

“Development Schedule” means the schedule setting forth the number of Franchise Units to be developed within a set period of time within the Territory.

“Franchise,” “Franchise Business,” “Franchise Unit,” or “Unit” Means a business which has signed a Franchise Agreement to operate a Westside Pizza® restaurant in the Territory.

“Franchise Agreement” Our agreement which licenses the right to use Our System and Intellectual Property for the operation of a Westside Pizza® Franchise Unit at a single designated location.

“Immediate Family” refers to and Includes each of Your spouse, parents, stepparents, children, stepchildren, brothers and sisters, and their spouses or children or step-children, mothers-in-law, and fathers-in-law, sons-in-law, and daughters-in law, brothers-in-law, and sisters-in-law, and any person (other than a tenant, or employee) sharing the Development Business.

“Including” or “Includes” throughout this Agreement will mean, “including but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

“Intellectual Property” means all parts of the System particular to Us and collectively Includes all Marks, trade dress, names, copyrights, systems, patents, patent applications, trade secrets, software, Recipes, operations, Manuals and other proprietary information.

“Manuals” refers to one or more operational or policies and procedures manuals, technical bulletins or other written materials and may be modified by Us periodically.

“Marks” refers to any and all of Our trademarks, service marks, trade names, logos, slogans, trade dress, color schemes, designs, equipment designs and related commercial symbols whether or not registered by Us and all goodwill related thereto associated with the products or any other business, products and services of the Franchisor or its affiliates.

“Owners” refers to You and each of the owners of any entity, partners, members, managers, officers, directors or shareholders.

“Recipes” means Our recipes, kitchen and/or recipe books, ingredients, flavors, compositions, mixes, syrups, spices, sauces, dressings, temperatures, cook or mix times, measurements, menu items, preparation techniques, methods and formulas, etc., related to Our food or drink products and menu items.

“Termination” Includes expiration, non-renewal, repurchase of Your rights, transfer, or any other means by which this Agreement is no longer in effect or wherein You are no longer an area developer of the Westside Pizza® System.

“Territory” means the geographical area set forth in Exhibit “A” attached hereto and by reference made a part hereof.

Article 2 - Territory Rights

2.1 Rights. Subject to the terms and conditions of this Agreement and the continuing faithful performance by You of Your obligations hereunder, during the term of this Agreement, You have the right and obligation to develop and operate Westside Pizza® Franchise Businesses in the Territory in accordance with the Development Schedule set forth on Exhibit “B.” Other than as reserved herein, We will not establish or sell franchises within the Territory while this Agreement is in effect.

2.2 Character of Rights. The rights and privileges granted to You under this Agreement are personal in nature. The rights set forth herein are territorial only and do not grant or imply any license for You to use the Marks or System in any manner. This Agreement will not create or grant rights or obligations outside the Territory.

2.3 Franchisor’s Reservation of Rights. Nothing contained herein will prevent Us from granting the right to franchise, own or operate Westside Pizza® Franchise Businesses or selling franchises outside of Your Territory. Furthermore, We expressly reserve the right to sell market and distribute the Westside Pizza® products in the Territory and elsewhere without compensation to You using other marketing strategies and distribution channels Including, catalog sales, direct sales, sales to and through the Internet, retail units and wholesale outlets, and to sell non-traditional Franchises at Our discretion both within and without Your Territory such as convention centers, sporting arenas, airports, or other similar locations. Any Franchises We sell will not be counted toward Your development obligations set forth in the Development Schedule. We also reserve the right to use other and different proprietary marks in connection with the sale of franchises, products or services similar to, the same as, or dissimilar from those which You will use in Your Franchise Businesses at any location, including in the Territory, without compensation to You. Neither We, nor other franchisees or area developers, are restricted from advertising their Westside Pizza® Franchise Business in Your Territory.

2.4 System Modifications. We may, at any time, in Our reasonable discretion modify the System. In such event, We will notify You of any such changes, modifications, additions or deletions, and You will accept, be bound by, use and immediately take steps to implement any such modifications in the Territory. We have complete ownership and control of any changes, modifications, enhancements or suggestions whether made or implemented by Us or You.

Article 3 - Development & Term

3.1 Minimum Development Schedule. You agree to use Your best efforts to develop and continuously operate Your Franchise Units in the Territory in strict compliance with the System and Manuals during the term hereof. Without limiting the foregoing obligation, in order to retain the rights granted hereunder, You must open, as Your minimum development obligation hereunder, the number of Franchise Units and on the timeline as set forth in the Development Schedule. A Franchise Unit will be counted for the purposes of meeting Your development obligation only if it is an open and functioning Franchise Business located within the Territory during the term hereof.

3.2 Franchise Locations. The location of each Franchise Unit will be selected by You, but must be approved in writing by Us, as further set forth in Your Franchise Agreements.

3.3 Time is of the Essence. Time is of the essence with respect to compliance with the Development Schedule and any and all other obligations of Yours under this Agreement.

3.4 Term. The term of this Agreement is the Development Period set forth on the Development Schedule. There is no right to renew this Agreement.

Article 4 - Fees

4.1 Area Development Fee. You must pay in full upon execution of this Agreement, a one-time, non-refundable area development fee (“Development Fee”) equal to the full initial franchise fee for each unit to be developed. For a 3-pack purchase, the Development Fee will be \$50,000. For all other multi-unit purchases, the total Development Fee will be \$25,000, plus \$12,500 multiplied by the minimum number of Franchise Units to be developed after the first Franchise Unit as more fully set forth in the Development Schedule. For example, the Development Fee for a 5-pack would be \$75,000 (\$25,000 + (\$12,500 x 4) = \$75,000). Upon payment of the Development Fee, there is no additional initial franchise fee to be paid under the Development Schedule.

4.2 Additional Units. If, during the term of this Agreement, You wish to purchase more Franchise Units than the number of Units listed in the Development Schedule, You must pay the initial franchise fee equal to 50% of Our then-current initial franchise fee for each additional Franchise Unit to be developed. These fees must be paid in one lump sum, and You must sign Our then-current Franchise Agreement for each additional Unit. These additional unit fees are non-refundable.

4.3 Non-Refundable. The Area Development Fee is not refundable, regardless of whether You meet Your Development Schedule.

Article 5 - Franchise Agreement(s)

5.1 Franchise Agreement. Each Franchise Unit opened by You in the Territory pursuant to this Agreement will be governed by Our then-current Franchise Agreement executed by You and Us. A Franchise Agreement for each Franchise Unit must be executed and delivered to Us and the balance of the Franchise Fee (if any) paid at the beginning of the development and prior to commencing construction or improvements, acquisition or lease of any related real property, or any other development activity, or operations for each Franchise Unit.

5.2 Modification of the Franchise Agreement. We reserve the right, from time-to-time, to amend, change or modify Our Franchise Agreement prior to the time it is signed by You.

5.3 Guaranty. You agree that all of the Owners owning 5% or greater interest in Your Development Business, along with their spouse or legal domestic partner, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement (see Exhibit “D” Guaranty and Assumption of Obligations).

5.4 First Franchise Unit. You acknowledge that the Franchise Agreement governing Your first Franchise Unit to be opened under the Development Schedule is being executed concurrently with this Agreement.

Article 6 - Operating Standards and Covenants

6.1 **Knowledge.** You shall acquire and maintain sufficient knowledge and experience involving the System so as to be able, in good faith, to develop the Franchise Units in a timely, efficient and professional manner.

6.2 **Compliance.** You shall, at Your expense, comply with all applicable laws, ordinances, rules and regulations pertaining to the development and operation of Your Franchise Businesses as contemplated herein.

6.3 **Cost of Doing Business.** You shall be responsible for all Your costs of doing business and other costs and expenses in connection with Your obligations herein.

6.4 **Franchise Obligations.** You agree to promptly pay all of Your obligations and liabilities to Us and Your suppliers, vendors, lessor, trade accounts and government agencies. We have no liability for Your obligations, and You will indemnify and hold Us harmless from any such obligations.

6.5 **Periodic Reports.** You shall provide to Us, no later than the 5th day of each month, a written monthly progress report of Your preceding month's activities and progress in developing and establishing Franchise Units in Your Territory.

6.6 **Your Performance.** You shall comply with all other duties, obligations and requirements set forth in this Agreement, Your Franchise Agreement(s) and Our Manuals.

6.7 **Indemnification.** You shall protect, indemnify and hold Us harmless from and against any and all claims, proceedings, expenses, costs, damages and liabilities, Including, legal fees incurred by Us or Our officers, directors, members, managers and agents because of any act, neglect or omission of Yours or Your employees, customers, agents or guests, Including, malfeasance, misstatements, nonfeasance, failure to perform, and breach of Your duties and obligations under this Agreement.

Article 7 - Confidential Information

7.1 **Confidential Information.** Nothing in this Agreement will be construed to require Us to divulge to You any Confidential Information. Except for knowledge already in Your possession not disclosed to You by Us or currently in the public domain, You acknowledge that Your entire knowledge of the Confidential Information, Including the operation of the System and the contemplated Franchise Business, are derived from information disclosed to You by Us and that such Confidential Information is confidential or a trade secret of Ours. You agree that You will maintain the absolute confidentiality of the Confidential Information during and after the term hereof. Each of Your principals are required to sign our standard principal brand protection agreement attached as Exhibit "E."

7.2 **Confidentiality of this Agreement.** You agree that all terms of this Agreement will remain confidential, and You will not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the terms of this Agreement only to Your professional lenders and advisors.

Article 8 - Marks

8.1 **Ownership of Marks.** You acknowledge that You have no proprietary interest whatsoever in Marks or derivatives thereof and that Your right to use the Marks is derived solely from Your Franchise

Agreement(s) and is limited to the conduct of Your Development Businesses pursuant to and in compliance with this Agreement and Your Franchise Agreement(s) and all applicable specifications, standards and operating procedures prescribed by Us.

8.2 Use of Marks. You cannot use any of the Marks as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form without Our consent. You agree to obtain such fictitious or assumed name registrations as may be required by Us or applicable law.

Article 9 - Our Right of Termination

9.1 Termination. In addition to the other rights of Termination, We may have at law or equity or as contained in this Agreement, We will have the following rights of Termination:

9.1.1 No Cure Period. Upon a violation or default under paragraphs (1) through (7) below, this Agreement will automatically terminate without written notice to You.

1) You or any of Your Owners makes an unauthorized assignment of this Agreement or any ownership change without Our consent, which consent will not be unreasonably withheld or delayed;

2) You or any of Your Owners take action, commit, are convicted of, plead guilty to, or plead no contest to a charge of violating any felony law or other crime, action or offense that We believe is reasonably likely to have an adverse effect on Your Franchise Units or the System;

3) You consistently (three or more times during the term of this Agreement) fail to timely pay any of Your payment obligations or liabilities owing to Us under this Agreement or any related Franchise Unit developed as part of this Agreement;

4) You become insolvent or a party to any bankruptcy, receivership or similar proceeding, other than as a creditor, file for bankruptcy or receivership or similar protection or You are adjudicated bankrupt;

5) You make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of Your assets for the benefit of creditors;

6) You voluntarily or otherwise abandon the development of Franchise Units in the Territory hereunder exhibited by not responding to our calls, emails, letters, or other attempts to reach You, or Your actions to Us, other franchisees or area developers, or to the public indicate that You do not plan to continue operations, or You fail to cure defaults in Your Development Schedule;

7) You repeatedly (defined as three or more times during the term of this Agreement) fail to materially comply with this Agreement, whether or not such failures to comply are corrected after notice thereof; or

8) You make or attempt to Transfer this Agreement or any of Your Franchise Units or Franchise Agreements without our prior written consent.

9.1.2 45-Day Cure Period. If You fail to meet Your development obligations, Your rights hereunder will automatically terminate effective 45 days after delivery of notice of default, if not otherwise cured within the 45-day notice period. In Our discretion, You may be granted a one-time

extension to meet the terms of Your Development Schedule. Such discretionary extension will not extend longer than 9 months past the development date. This Agreement will automatically terminate if You fail to meet the Development Schedule within the extended cure period, and the provisions of Article 10 will apply following termination.

9.1.3 30-Day Cure Period. For all other defaults Including Your failure to cure any default under any of Your or an affiliate's Franchise Agreement, We will have the right to terminate this Agreement effective upon 30 days after delivery of notice of Termination to You if such default is not cured within the 30-day cure period.

9.2 Cross Default. If any Franchise Agreement for one of Your Franchise Businesses is terminated for any reason, We will have the right to terminate this Agreement upon written notice to You.

Article 10 - Effect of Termination or Expiration

10.1 Our Rights Upon Termination. If this Agreement is terminated, You will no longer have exclusive development rights in the Territory. We will be free to own, operate, or franchise Westside Pizza® restaurants anywhere in the Territory other than as prohibited by any existing signed and fully compliant Franchise Agreement.

10.2 Undeveloped Units. Any undeveloped licenses that You have purchased will remain with you and be placed on the general seniority list for new franchise development in Your state.

10.2.1 Seniority List. The seniority list is made up of franchisees that have purchased Westside Pizza® restaurant licenses in Your state, but who have not yet chosen a location or otherwise developed that license. When We receive interest from a third party or from a current franchisee to develop a franchise within Your state, We will send notice to each franchisee on the seniority list, and franchisees will have 10 days to exercise their option to develop a franchise in the proposed area by signing a franchise agreement within the 10-day notice period. If more than one franchisee on the seniority list desires to develop a franchise in that area, then the franchisee highest on the seniority list will get priority over all other interested parties.

10.3 Operating Units. Termination of this Agreement will not affect Your rights in the Units You already developed prior to Termination. Those Units will continue to be governed by the applicable Franchise Agreements signed for those Units.

Article 11 - Unfair Competition and Non-Competition Covenant

11.1 In-Term Covenants. During the term of this Agreement and any extensions hereof, You agree that neither You nor Your Immediate Family, nor any shareholders, owners, partners, directors, members, managers, officers, agents, affiliates, principal employees, nor any partner in a partnership franchise, shall own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, contractor, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership, or corporation engaged in any Competing Business except with Our prior written consent. You understand and acknowledge that to violate this Section will create irreparable harm.

11.2 Post-Term Covenant. Upon Termination for any reason of this Agreement and for a continuous, uninterrupted period of two years thereafter, neither You nor Your Immediate Family shall, directly or indirectly, participate as an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, franchisor, area developer or serve

in any other capacity whatsoever or have any interest in or assist any person or entity in any business, firm, entity, partnership or company engaged in a Competing Business within Your Territory or within 50 miles of Your Territory or within 50 miles of the territory of any Westside Pizza® business operation at the time of Termination of this Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. You shall not divert or attempt to divert any business of or any customers of any Westside Pizza® business operations to any other competitive establishment, by direct or indirect inducement or otherwise.

11.3 Tolling of Covenant. In the event You compete during the term of non-competition, this non-compete time period will be tolled and extended for the period of Your competition, plus an additional six months.

11.4 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article 11 be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. Accordingly, if any part of this Article is adjudicated to be invalid or unenforceable, then this Article will be deemed amended to delete that portion thus adjudicated to be invalid or unenforceable and such deletion to apply only with respect to the operation of that Section or Paragraph and the particular jurisdiction in which said adjudication is made. Further, to the extent any provision of this Agreement is deemed to be unenforceable by virtue of its scope, but may be made enforceable by limitation, the parties agree that the same will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought.

11.5 Claims Not a Defense. You expressly agree that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants of this Article 11. You agree to pay all costs and expenses, including, reasonable attorney's fees, incurred by Us in connection with the enforcement of this Article 11.

11.6 Irreparable Injury. You acknowledge that Your violation of the terms of this Article 11 would result in irreparable injury to Us for which no adequate remedy at law may be available. You accordingly agree that We will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any or all any of the terms of this Article 11 without proof of actual damages that have been or may be caused to Us by such breach.

11.7 Additional Covenants. At Our request, You must require and obtain execution of covenants similar to those set forth in this Article 11 from any or all of the following persons: (a) all owners, partners, directors and managers and the like of Your Franchise Businesses; (b) all officers, directors, members, managers and holders of a beneficial interest of 5% or more of any corporation directly or indirectly controlling You if You are an entity; and (c) the general partners and any limited partners if You are a partnership. All covenants required herein must be in forms satisfactory to Us, including, specific identification of Us as a third-party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required herein will constitute a default of this Agreement.

Article 12 – Transfers and Assignment

12.1 By Franchisor. This Agreement is fully assignable and transferrable by Us and will inure to the benefit of any assignee, transferee or other legal successor to Our interests and obligations herein.

12.2 By Area Developer or Your Owners. You understand and acknowledge that the rights and duties created by this Agreement are personal to You and that We have granted this Agreement in reliance

upon Your agreement to comply with all the terms and conditions of this Agreement, and Your individual character, skill, aptitude, attitude, business ability and financial capacity. Therefore:

12.2.1 Neither this Agreement nor any interest therein may be voluntarily, involuntarily, directly or indirectly, assigned, sold or otherwise transferred by You or Your Owners, Including, by consolidation or merger, or by issuance of securities representing an ownership interest, without Our prior written approval, which approval will not be unreasonably withheld.

12.2.2 Any such assignment or transfer without such approval will constitute a breach hereof and will not convey any rights to or interests in this Agreement to such assignee.

12.2.3 Consent to an assignment otherwise permissible under this Article 12 may be refused by Us unless prior to the effective date of the assignment: (a) You have provided Us written notice of Your intent to Transfer; (b) all of Your obligations incurred in connection with this Agreement have been assumed by the assignee; (c) You have paid fees and other amounts owing Us; (d) the assignee or its owners meet Our criteria for new area developers and franchisees; (e) the assignee or its owners must have completed the training program required of new area developers and franchisees and are willing to execute and be bound by Our then-current area development agreement; (f) You or Your assignee have paid a transfer fee of \$10,000, plus the transfer fees set forth in each Franchise Agreement transferred; (g) You or Your assignee have paid a training fee for new franchisees at Our then-current rate for training to cover training expenses; and (h) You and Your Owners, representatives and/or agents have signed a general release in Our favor.

12.2.4 You must remain liable for all direct and indirect obligations under this Agreement, Your Franchise Agreement(s) and Your Franchise Businesses prior to the effective date of the transfer and will continue to remain responsible for Your obligations of nondisclosure, noncompetition and indemnification as provided in this Agreement and the Franchise Agreements and must execute any and all instruments reasonably requested by Us to evidence such liability.

12.2.5 Any assignment, transfer or other disposition by You of a Franchise Business within the Territory will be governed by the Franchise Agreement to which such Franchise Business is bound.

12.3 Transfers to Competitors Prohibited. In order to maintain the confidentiality of the proprietary information of the Intellectual Property and System, neither You nor any of Your owners, partners, members, managers, officers or directors, shall sell, transfer, assign or pledge any part of this Agreement or any part of his or her ownership in Your entity, if applicable, to a competitor of Ours or an affiliate of a competitor of Ours without Our written permission. Any such sale, transfer, assignment or pledge without Our written approval will be considered void ab initio.

12.4 Right of First Refusal of the Franchisor. If You or Your Owners, at any time determine to sell, assign or transfer this Agreement, or an interest therein, or an ownership interest in Your entity of 40% or more, then You or Your Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must submit an exact copy of such offer to Us. We will have the right, exercisable by written notice delivered to You or Your Owners within 60 days from the date of delivery of an exact copy of such offer to Us, to purchase this Agreement and the development rights thereunder, or such interest in this Agreement, or such ownership interest in You for the price and on the terms and conditions contained in such offer, provided that We may substitute cash for any form of payment proposed in such offer, and We will have not less than 60 days from the date We give notice to You of Our intent to purchase, to prepare for closing. If We do not exercise Our right of first refusal, You or Your Owners may complete the sale to such purchaser pursuant to and on the terms of such offer, provided that if the sale to

such purchaser is not completed within 150 days after delivery of such offer to Us, or if there is a material change in the terms of the sale that are less beneficial to You, We will again have the right of first refusal upon the terms and conditions herein provided.

12.4.1 Each shareholder or member of Your entity, if You are a corporation or other business entity, must be a party to an agreement which will provide, inter alia, that upon any dissolution of the corporation or other business entity, or upon any death, incapacity or divorce decree among the parties who are also owners, that ownership of the ownership interest will be transferred to those remaining owners (for agreed upon consideration) who have primary responsibility for sales and marketing activities, typically the president or manager, following any such dissolution or decree. The form and content of such agreement must be approved by Us prior to execution.

12.5 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual area developer or general partner or manager of an entity area developer (the term “incapacity” means any physical or mental infirmity that prevents the person from performing his or her obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 days during a calendar year), the heirs or personal representative will have the right to continue to fulfill Your obligations under this Agreement; provided that within a reasonable time (not more than 60 days) after such death or incapacity (or such longer period required by the laws of the state where Your Development Business is located) a personal representative must be approved by Us, or this Agreement is assigned or transferred to a buyer approved by Us.

Article 13 - Notices

13.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission, during normal business hours, Monday through Friday, holidays excepted, when confirmed by telecopier or facsimile transmission; (iv) through the email address below or other authorized email address when confirmed by receipt verifications, which confirmation cannot be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

To Franchisor	To Area Developer:
Westside Pizza International Inc. 8515 W. Overland Road Boise, Idaho 83709 Email: rodneynelson@westsidepizza.com	_____ _____ _____ Email: _____
With a courtesy copy to (which will not act as notice or service to ##, LLC/Inc.) : The Franchise & Business Law Group Attn : Kara Martin 222 South Main, Ste 500 Salt Lake City, Utah 84101 Email: kmartin@fbglaw.com	

Article 14 - Representations

14.1 Your Efforts. You understand that the success or failure of the development of Franchise Units in the Territory depends, in major part, upon Your efforts.

YOU REPRESENT, COVENANT, AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING INCOME GUARANTEES, PROJECTIONS, AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SUCCESS OF YOUR BUSINESS OPERATIONS UNDER THIS AGREEMENT. YOU ACKNOWLEDGE AND AGREE THAT AS OF THE DATE OF THIS AGREEMENT YOU HAVE HAD NO KNOWLEDGE OF ANY REPRESENTATION MADE BY US OR OUR REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

YOU FURTHER REPRESENT, COVENANT AND AGREE THAT YOU HAVE THE BUSINESS ACUMEN, CORPORATE AUTHORITY AND FINANCIAL WHEREWITHAL TO ENTER INTO THIS AGREEMENT AND TO PERFORM ALL OF YOUR OBLIGATIONS HEREUNDER AND FURTHERMORE THAT THE EXECUTION OF THIS AGREEMENT IS NOT IN CONTRAVENTION OF ANY OTHER WRITTEN OR ORAL OBLIGATION OF YOURS.

14.2 FDD Acknowledgement. You represent that You have had a copy of our franchise disclosure document (“FDD”) for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us, and during which time You had the opportunity to submit the FDD for review by legal counsel.

Article 15 - Disputes & Arbitration

15.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any disputes amicably, quickly, inexpensively and professionally and to return to business as soon as possible.

15.2 Manner of Handling Disputes. You and We agree that except as otherwise expressly provided for herein, in the event any controversy, dispute or claim whatsoever (“Dispute”) arises between Us or Our subsidiaries, parents and affiliates and each of Our respective shareholders, managers, officers, directors, members, agents, employees and attorneys (in their representative capacity), if applicable, and You or Your entity owners, guarantors and employees, officers, directors, members, managers, agents, and attorneys (in their representative capacity), if applicable, in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

15.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us at Our then-current headquarters and within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

15.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting requirement has not successfully resolved such matters and if desired by either You or Us, the matters will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services (“FAM”) or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert or counsel for any party with respect to the Dispute and any related matters.

15.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in

effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or by ruling of the arbitrator if petitioned by one of the parties. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration proceeding involving Us and any other person, except that with respect to a Dispute involving You and Your affiliate, You and Your affiliate may both be parties to the arbitration.

(iii) Agreed Limitations. Except for payments owed by one party to the other, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within a period of one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim.

(iv) No Special Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. You agree that We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this

Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of Our Marks, or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement not in connection with other Disputes.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards, or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the upfront cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in any arbitration, Including on appeal or other action will be awarded costs and attorney's fees as set forth in Section 16.6 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

15.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform all obligations under this Agreement.

Article 16 – General Provisions

16.1 Severability. Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable.

16.2 Governing Law and Jurisdiction. This Agreement will be governed, construed and interpreted in accordance with the laws of the State of Idaho without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein, but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article 15, if there is any litigation between us, You and We hereby irrevocably consent to, and waive any objection to, the exercise of general personal jurisdiction and venue in the courts of record of Salt Lake City, County of Salt Lake, State of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, Salt Lake County, State of Utah will be the exclusive venue for any litigation

between Us.

16.3 Waiver of Obligations. You and We will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (Including, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof or any failure, refusal or neglect of Us or You to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder.

16.4 No Off-Sets or Withholdings. You covenant and agree that You will not offset or withhold the payment of any fees or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

16.5 Cumulative Remedies. Rights hereunder are cumulative and no exercise or enforcement of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy hereunder which You or We are entitled by law or equity to enforce. Nothing herein contained will be interpreted as to bar or waive Our right to obtain any remedy available at law or in equity including injunctive relief.

16.6 Costs and Attorney's Fees. The prevailing party in any legal proceeding will be entitled to reimbursement of its costs and expenses, Including reasonable accounting and legal fees. For purposes of this Agreement, "prevailing party" Includes, the party which obtains a judgment in their favor, or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought.

16.7 Binding Effect. This Agreement will be binding upon the parties hereto and their respective assigns and successors in interest.

16.8 Entire Agreement. This Agreement, Including preambles and exhibit(s) to this Agreement, if any, are a part of this Agreement, which constitutes the entire agreement of the parties relating to the subject matter herein, and there are no other oral or written understandings or agreements between You and Us relating to the subject matter of this Agreement. No modifications of the terms of this Agreement will be valid unless made in writing and executed by both Us and You. Except as otherwise expressly provided herein, nothing in this Agreement is intended, or will be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Nothing in this Agreement or in any related agreement is intended to disclaim the representations We made in Our franchise disclosure document. This Agreement may be amended in whole or in part only by an agreement in writing signed and dated by the parties.

16.9 No Representations. You understand that the success or failure of this Agreement, and each of Your Franchise Businesses depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location, territory, or trade area will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

16.10 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

16.11 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between them or any of them and any third-party or the violation or breach of any order, decree or judgment of any court or administrative agency.

16.12 Interpretation of Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The headings and title of this Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

16.13 Relationship of the Parties. In all matters, You are an independent contractor. Nothing in this Agreement constitutes You as Our partner, agent, or joint venture with Us and this Agreement does not create a fiduciary relationship between You and Us. Neither party may act or have the authority to act as agent for the other, and neither party is liable for the debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You acknowledge that You do not have authority to incur any obligations, responsibilities or liabilities on behalf of Us, or to bind Us by any representations or warranties, and You agree not to hold Yourself out as having such authority.

16.14 Owners of the Development Business. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "C" are the owners of and sole holders of a legal and beneficial interest in Your Development Business.

16.15 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of pdf, electronic, telefaxed or scanned and emailed signature page or similar electronic means, each of which will be deemed an original, but all of which together will constitute one and the same document.

16.16 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all of its terms. You agree that the rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

16.17 Effective Date. This Agreement will become effective only when executed and accepted by Us at Our headquarters.

IN WITNESS WHEREOF, We and You have respectively signed and sealed this Agreement as of the day and year first above written.

FRANCHISOR:

AREA DEVELOPER:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____

(Signature)

Name: _____

Title: _____

By: _____

(Signature)

Name: _____

Title: _____

**EXHIBIT “A”
TO THE AREA DEVELOPMENT AGREEMENT**

TERRITORY

The Development Territory will consist of the following area:

Our approval of the Development Territory or a location is not a guarantee or a warranty of the potential success of the Territory or any location.

Area Developer Initial and Date

Franchisor Initial and Date

EXHIBIT “A-1”

MAP OF AREA DEVELOPMENT TERRITORY

Area Developer Initial and Date

Franchisor Initial and Date

**EXHIBIT “B”
TO THE AREA DEVELOPMENT AGREEMENT**

**FRANCHISE UNIT
DEVELOPMENT SCHEDULE**

Development Period & Term	Balance of Initial Franchise Fee Owning Per Unit	Minimum Number of Franchise Units to be Opened	Cumulative Total of Franchise Units In Territory Open and Operating at End of Each Period
The first 12 months after entering this Agreement	\$0	___ Units	___ Units
18 months following opening of first location or 30 months from signing this Agreement, whichever comes first	\$0	___ Units	___ Units
18 months following opening of second location or 48 months from signing this Agreement, whichever comes first	\$0	___ Units	___ Units
18 months following opening of third location or 66 months from signing this Agreement, whichever comes first	\$0	___ Units	___ Units
18 months following opening of fourth location or 84 months from signing this Agreement, whichever comes first	\$0	___ Units	___ Units
TOTAL:	\$0	___ Units	___ Franchise Units to be open and in operation in the Territory at the end of the Term

Area Developer Initial and Date

Franchisor Initial and Date

EXHIBIT "C"
TO THE AREA DEVELOPMENT AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

- | | |
|--|--|
| ☐ Partnership | ☐ Corporation |
| ☐ Sole Proprietorship | ☐ Limited Liability Company |

Name of Entity: _____

State Entity was formed: _____/Date of Formation: _____

EIN: _____

You must write below the name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership or limited liability company (please print or type names and add extra lines if necessary).

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

List the names of the officers of the company:

Name	Title

The address where Your company records are maintained is: _____
_____.

The name and address of the person acting as principal contact who has been approved by Us and who will be directly responsible for supervising Your Development Business operations and who has

authority to work with Us and make decisions relating to the operations of the Development Business:

Name: _____

Address: _____

Email: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws by _____.

Dated: _____.

AREA DEVELOPER:

By: _____

(Signature)

Name: _____

Title: _____

EXHIBIT “D”
TO THE AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is entered into and made effective as of _____ by and between **Westside Pizza International Inc.**, (“We,” “Us” or “Our”) and the undersigned Guarantor(s) (“Guarantor(s)”) owners of _____, LLC/INC. (the “Business Entity”) and their spouses or legal domestic partner (“spouse”).

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Area Development Agreement dated _____ (the “Development Agreement”), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantee to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Development Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, any provision in the Development Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)’ execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)’ capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)’ direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Development Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)’ liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)’ liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Development Agreement and, where required by the Development Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney’s assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Development Agreement and agree that the provisions related

to disputes and arbitration of the Development Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled.

6. Spouse's Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Development Agreement and Guarantor(s)' performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original, and when said counterparts have been exchanged between the parties, they will be of full force and effect.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed and sealed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature

By: _____

(Signature)

(Print Name)

By: _____

(Signature)

(Print Name)

Spouse's Signature

By: _____

(Signature)

(Print Name)

By: _____

(Signature)

(Print Name)

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF WASHINGTON**

The state of Washington has a statute, RCW 19.100.180 which may supersede the area development 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 area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. The franchisee may terminate the Franchise Agreement under any grounds permitted by law. Termination of the Franchise Agreement due to sale/merger/transfer of the franchisor or the franchise system may not be enforceable under Washington law.

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.

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 the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 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. A general release at termination or expiration is not enforceable in Washington. 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 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.

[Signatures follow on next page]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20____.

FRANCHISOR:
WESTSIDE PIZZA INTERNATIONAL INC.

AREA DEVELOPER:
_____, **LLC/INC.**

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

INDIVIDUAL(S):

Print Name: _____

Print Name: _____

**EXHIBIT “E”
TO THE AREA DEVELOPMENT AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of _____, by WESTSIDE PIZZA INTERNATIONAL INC. (“Franchisor” or the “Company”) and the undersigned (“Principals”).

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to open and operate multiple Westside Pizza® Businesses using the System developed by Franchisor, Including certain confidential and proprietary information of Franchisor (“Area Development Agreement”); and

WHEREAS, Principals will have access to such proprietary information; and

WHEREAS, Franchisor has developed confidential and proprietary Recipes for the operation of a Westside Pizza® Franchise Business and may continue to develop new Recipes and revise current Recipes for use in association with the Westside Pizza® System; and

WHEREAS, Principals will have access to the confidential and proprietary Recipes; and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Area Development Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor’s entering into the Area Development Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Area Development Agreement and Franchise Agreement as applicable, and all references herein to “Article,” “Sections” and “Paragraphs” refers to articles, paragraphs and sections of the Area Development Agreement and Franchise Agreement as applicable.

NOW THEREFORE, in consideration of Franchisor entering into the Area Development Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain knowledge of confidential matters related to the System and made available to Principals that are necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Area Development Agreement, Principals and any of a Principal’s Immediate Family, shall not during the term of the Area Development Agreement and any Successor Franchise or Successor Area Development Agreement or any time thereafter, in perpetuity, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement will constitute Confidential Information and will

be subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all employees to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.2 No Reverse Engineering. Principals will not either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any Recipe, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering will include any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.3 Limited Use. Principals must limit his/her use of the Recipes, Including, their recollection of the Recipes, to the performance of their duties as described in the Area Development Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Recipes for any personal use or gain.

3. Non-Competition. Principals, Principals' Immediate Family, and Franchisor share in a common interest in avoiding situations where persons or companies who are or have been Westside Pizza® franchisees operate or otherwise become involved with a Competing Business. Therefore, the following covenants will be enforced during and after the term of the Area Development Agreement.

3.1 In-Term Covenant. During the term of the Area Development Agreement and for any extensions or Successor Franchises hereof, except as permitted under the Area Development Agreement, Principals and each Principal's Immediate Family, shall not own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, consultant, contractor, partner, officer, director or shareholder of any Competing Business in any capacity or location, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section will create irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of the Area Development Agreement, and any extensions thereof, or upon any Transfer or repurchase of a Principal's rights under the Area Development Agreement or the franchise entity, and for a continuous, uninterrupted period of two years thereafter, Principals, and Principal's Immediate Family, and any members, managers, owners, partners, officers, directors, agents, affiliates or principal employees of Principals' company, shall, directly or indirectly, participate as an owner, operator, shareholder, director, partner, consultant, agent, member, manager, employee, contractor, advisor, officer, lessor, lessee, franchisor, franchisee or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any Competing Business in any capacity, territory, or location within the Area or within 50 miles of the Area or within 50 miles of the territory of any System franchise or Westside Pizza® Business operation at the time of Termination of the Area Development Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

3.2.1 In the event a Principal competes during the term of non-competition, this non-compete time period will be tolled and extended for the period of such Principal's competition, plus an

additional six months.

4. Non-Solicitation of Customers. Subject to applicable state law, Principals shall not, during the term of the Area Development Agreement and any extensions or Successor Franchise and for two years thereafter, directly or indirectly, contact any former or then-current customer of the Franchise Business or Franchisor for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor.

5. Return of Materials. Upon the Termination of the Area Development Agreement, or a Principal's disassociation from the franchise entity, each Principal agrees to deliver to Franchisor (and will not keep a copy in his or her possession or deliver to anyone else) the Westside Pizza® Manuals and any and all Confidential Information.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether or not arising from this Agreement or the Area Development Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the State of Idaho without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the State of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Area Development Agreement (in which case this matter may be handled through arbitration as set forth in the Area Development Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Salt Lake County, Utah.

9. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal, and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals will survive the Termination of this Agreement or the Area Development Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first herein above written.

FRANCHISOR:

PRINCIPALS:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

**EXHIBIT H
TO THE FDD
LICENSE LINE AGREEMENT (FORM)**

**EXHIBIT “H”
TO THE WESTSIDE PIZZA® FDD**

LICENSE LINE AGREEMENT

This LICENSE LINE AGREEMENT (“Agreement”) is made and entered into on _____, by and between **WESTSIDE PIZZA INTERNATIONAL INC.** (“Franchisor,” “We,” “Us” or “Our”) and _____, (“You,” “Your” or “Prospective Franchisee”). Individually referred herein as a “Party” and collectively as “Parties.”

RECITALS:

WHEREAS, You are a current holder of a Westside Pizza® franchise agreement; and

WHEREAS, You have applied for and desire to acquire an option to own and operate additional Westside Pizza® franchise units; and

WHEREAS, You understand that the option for additional Westside Pizza® franchise units is based on seniority of applying for an option in a state; and

WHEREAS, You declare that You have fully reviewed the Westside Pizza® Franchise Disclosure Document and have had such FDD for at least 14 days and familiarized Yourself with the essential aspects of owning a Westside Pizza® franchise and desire to enter into this Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents officers or employees, and You further expressly acknowledge that no separate representations, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

1. **Grant of Option.** We hereby grant to You a non-exclusive, non-transferrable option (“Option”) to acquire _____ Westside Pizza® franchise units in the same state and in accordance with this Agreement within the area set forth on Exhibit “A” (“Option Boundaries”) attached hereto and by reference made a part hereof. The final boundaries of each franchise territory will be determined upon exercise of Your Option and set forth in Your franchise agreement(s). The Option granted herein is in effect for two years and will automatically renew from year to year for a total of eight renewal years, unless terminated early as set forth below (“Option Period”).

2. **Seniority.** In the event there are multiple license lines with the same Option Boundaries, Your Option will be exercisable in the order of seniority. Each option is designated an order of seniority and no person or entity that signs a similar agreement to this Agreement after

the date of this Agreement will have superior rights to Yours. Upon notice to Us that any person or entity with a license line is choosing to exercise their option, or upon our receipt of a bona fide offer by a prospective franchisee to sign a franchise agreement within the Option Boundaries, You and each license line holder will receive an email from Us providing each holder with 10 days to exercise the Option. If, after 10 days neither You nor any other license line holder has provided Us with written notice of intent to exercise the option, the prospective franchisee will receive the right. If multiple license line holders seek to exercise their option, We will grant the right in order of seniority.

3. **Payment.** You agree to pay Us \$_____ for this Option ("Option Fee"), payable in one lump sum upon signing this Agreement. The Option Fee is non-refundable; however, it will apply to the initial franchise fee for Your first franchise agreement signed. If You are eligible for any discounts to the initial franchise fee, such discount will apply to the Option Fee.

4. **Rights During Option Period.** You understand that the only rights granted to You are those to have the option to enter into a franchise agreement with Us during the Option Period. This Option is non-exclusive meaning that other individuals and entities will have the right to receive an option for the same Option Boundaries as provided in this Agreement.

5. **Exercise of Option.** This Option is exercisable by You as follows: 1) Your written notice to Us of Your exercise of the Option; and 2) Your execution of the then-current franchise agreement, all which must be completed within the Option Period.

(a) You agree that prior to signing any franchise agreement, You will receive Our most current FDD and sign the receipt page. No franchise agreement may be signed, or fees paid, until 14 full calendar days have passed from the date of receipt of the FDD by You. The terms of the franchise agreement may change from year to year, and You understand and acknowledge that You have no right to any prior version of the franchise agreement that may have been provided to You, including the version provided to You upon signing this Agreement.

(b) You understand and acknowledge that upon signing the franchise agreement, the terms of the franchise agreement govern and control, including without limitation, fees due and owing, and timelines for construction and opening the restaurant. In the event You fail to open Your franchise business within the required time after signing the franchise agreement, and You want to continue with this Agreement, You will drop to the lowest level of seniority but maintain this Agreement for the term remaining.

6. **Termination of the Option.** This Option will continue until the earlier of: 1) exercise of the Option by You for the total number of franchise units within the Option Boundaries listed on Exhibit A; or 2) up to a total of 10 years.

(a) Should this Agreement terminate for any reason other than due to Your exercise of the Option to develop Westside Pizza® franchise units, You agree to immediately cooperate with Us in the execution of a general release with Us. Should You fail to sign any general release, We have the right to seek attorneys' fees and other costs incurred by Us in seeking Your

signature or enforcing Our rights and this Agreement can be used as proof of Your agreement to enter into a general release.

7. **Arbitration of Disputes.** In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah, and the laws of the State of Utah will govern without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

8. **Notices.** All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy, email or facsimile transmission when confirmed by telecopier, email or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, 5 days after deposit in the mail addressed as follows:

FRANCHISOR:	PROSPECTIVE FRANCHISEE:
Westside Pizza International Inc. 8515 West Overland Road Boise, Idaho 83709 Email: franchise@westsidepizza.com	Name: _____ Address: _____ _____ Email: _____

9. **Binding Effect.** This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

10. **Amendment.** This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

11. **Authority.** The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

12. **Costs & Expenses.** Each Party will pay its own costs and expenses in connection with this Agreement.

13. **Entire Agreement.** This Agreement and exhibits contain the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties are hereby terminated with no continuing duties or obligations on the part of the other Party.

14. **Interpretation of Agreement.** Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The paragraph headings and title of this Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

15. **Counterparts.** This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

16. **Enforceability.** Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

IN WITNESS WHEREOF, the Franchisor and Prospective Franchisee have respectively signed this Agreement as of the day and year first above written.

FRANCHISOR:

Westside Pizza International Inc.

By: _____
(Signature)

Name: _____

Title: _____

PROSPECTIVE FRANCHISEE:

_____ (LLC/INC.)

By: _____
(Signature)

Name: _____

Title: _____

**EXHIBIT “A”
LICENSE LINE AGREEMENT**

OPTION BOUNDARIES

You have the non-exclusive, non-transferrable option to develop ____ Westside Pizza® franchise units in the following state _____.

You acknowledge that in the event You fail to exercise the Option within the Option Period, You will lose all rights associated with this Agreement.

You acknowledge that you are number ____ in line to exercise this Option, as stated above in paragraph 2 to the Agreement.

Prospective Franchisee Initial and Date

Franchisor Initial and Date

**EXHIBIT I
TO THE FDD**

ACKNOWLEDGMENT OF RECEIPT OF COMPLETED AGREEMENTS

ACKNOWLEDGMENT OF RECEIPT
OF COMPLETED WESTSIDE PIZZA® AGREEMENTS

The undersigned, personally and as an officer of or manager in the proposed franchisee, if applicable, does hereby acknowledge receipt of the Westside Pizza® FDD which includes without limitation the following documents and agreements:

Exhibit A	Franchise Agreement and its Exhibits Addendum Only for Franchisees Who Obtain SBA Financing
Exhibit B	Financial Statements
Exhibit E	State Specific Addenda
Exhibit G	Area Development Agreement
Exhibit H	License Line Agreement (Form)
Exhibit I	Acknowledgment of Receipt of Completed Agreements
Exhibit J	Release (Form) Receipt of Disclosure Document

All blanks must be completely filled in, dated, and signed, and any and all exhibits or addendums in the completed form in which they are intended to be executed by the undersigned. (Note: This receipt must be signed and dated at seven calendar days (or longer in some states) before the undersigned executes the Franchise Agreement and related agreements. Do not sign and return documents until at least seven calendar days (or longer in some states) have elapsed from the date of this receipt.)

I acknowledge that I should review all such documents personally or have my attorney or other advisor review such documents so that I am fully familiar with the franchise and documents prior to signing them or paying any money.

I hereby acknowledge, understand and agree that all information and materials given to me will be used only in conjunction with my consideration of the franchise and may be considered as confidential information. All such information and materials shall not be disseminated or provided to any person or party other than to my professional legal and/or financial advisors and will be returned to Westside Pizza International Inc. promptly if I decide not to purchase a Westside Pizza® franchise.

DATE I RECEIVED THE COMPLETED AGREEMENTS: _____, 20__.

SIGNED: _____	SIGNED: _____
_____ NAME (Please print)	_____ NAME (Please print)
_____	_____
_____ Address	_____ Address

(Attach additional signatures if necessary. If franchise is to be owned jointly or as community property by husband and wife, both must review all documents and sign. All owners of an entity franchisee must review all documents and sign individually and on behalf of the entity.)

**EXHIBIT J
TO THE FDD
RELEASE AGREEMENT (FORM)**

**RELEASE AGREEMENT
(Form)**

This RELEASE AGREEMENT (“Agreement”) is made and entered into _____ by and between **WESTSIDE PIZZA INTERNATIONAL INC.**, (herein “Franchisor”) and _____, **LLC/INC.**, _____, **AND** _____, (jointly and severally “Franchisee”). The above will collectively at times be referred to as “Parties” and individually as “Party.” Capitalized terms used herein will have the meanings set forth in the Franchise Agreement unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Westside Pizza® franchise agreement on _____, 20__ with Franchisor (“Franchise Agreement”); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ (“Personal Guarantor(s)”); and

WHEREAS, the Franchise Agreement has been terminated effective as of the ____ day of _____, 20____.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly agree that they will

make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Nothing in this Agreement releases Personal Guarantor(s) or Franchisee from their obligations under the non-competition clauses of the Franchise Agreement or their Non-Competition Agreements signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the State of Idaho without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the State of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, Salt Lake County, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake County, Utah, and the laws of the State of Idaho will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand, and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____, **LLC/INC.**

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

PERSONAL GUARANTOR(S):

By: _____
(print name)_____, personally

Date: _____

By: _____
(print name)_____, personally

Date: _____

By: _____
(print name)_____, personally

Date: _____

By: _____
(print name)_____, personally

Date: _____

State Effective Dates

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

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

<u>State</u>	<u>Effective Date</u>
California	Pending
Washington	Pending

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

RECEIPT

(Franchisee's Copy)

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 Westside Pizza International Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. 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. The issuance date of this disclosure document is April 6, 2021.

If Westside Pizza International Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "D-2." Westside Pizza International Inc. authorizes the respective state agencies identified on Exhibit "D-1" to receive service of process for it in the particular state.

The franchisor, Westside Pizza International Inc. is located at 8515 W. Overland Road, Boise, Idaho 83709. Its telephone number is (360) 536-1339.

The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

<u>Name</u>	<u>Address</u>	<u>Phone Number</u>
Rodney Nelson	8515 W. Overland Road, Boise, ID 83709	(360) 536-1339
Aaron Olson	8515 W. Overland Road, Boise, ID 83709	(360) 536-1339
Marcus Salim	8515 W. Overland Road, Boise, ID 83709	(800) 789-4142
Jeff Roberts	8515 W. Overland Road, Boise, ID. 83709	(360) 820-2233

I received a disclosure document dated Issuance date: April 6, 2021 that included the following Exhibits:

Exhibit A	Franchise Agreement, including Schedules	Exhibit E	State Specific Addenda
Exhibit B	Financial Statements for Westside Pizza International Inc.	Exhibit F	Manual Table of Contents
Exhibit C	List of Franchisees	Exhibit G	Area Development Agreement
Exhibit D	Names and Addresses of State Regulatory Authorities and Agents for Service of Process in States	Exhibit H	License Line Agreement (Form)
		Exhibit I	Acknowledgment of Receipt of Completed Agreements
		Exhibit J	Release Agreement (Form)

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Title (if Signing for Company)

Attach additional signatures or use additional receipts if necessary. If franchise is to be owned jointly or as community property by husband and wife, both must review all documents and sign. All owners of an entity franchisee must review all documents and sign individually and on behalf of any legal entity.

PLEASE KEEP THIS COPY FOR YOUR RECORDS

RECEIPT

(Franchisor's Copy)

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 Westside Pizza International Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. 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. The issuance date of this disclosure document is April 6, 2021.

If Westside Pizza International Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "D-2." Westside Pizza International Inc. authorizes the respective state agencies identified on Exhibit "D-1" to receive service of process for it in the particular state.

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Aaron Olson	8515 W. Overland Road, Boise, ID 83709	(509) 680-0570
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Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Title (if Signing for Company)

Attach additional signatures or use additional receipts if necessary. If franchise is to be owned jointly or as community property by husband and wife, both must review all documents and sign. All owners of an entity franchisee must review all documents and sign individually and on behalf of any legal entity.

Please sign and date this receipt (with the date that you received the disclosure document), and if you received it electronically via email, also: (1) open the attached disclosure document, to verify that you can download it; then immediately Reply to All, with a cc to the email address listed on the state cover page of this disclosure document, stating that you received and downloaded this disclosure document; AND (2) also print, sign, and date a copy of the receipt (with the date that you received this disclosure), and return via mail or email to us at franchise@westsidepizza.com.