

FRANCHISE DISCLOSURE DOCUMENT



WESTSIDE PIZZA INTERNATIONAL INC.

a Washington corporation

8515 W. Overland Road

Boise, ID 83709

(360) 536-1339

franchise@westsidepizza.com

<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 total investment necessary to begin operation of a Westside Pizza® franchised business is \$207,435 to \$559,935 for a single unit. This includes the \$40,000 that must be paid to the franchisor or its affiliates. The initial investment necessary to enter into an area development agreement ranges from \$997,175 to \$2,759,675 (numbers based on a 5-unit area development agreement although there is no required minimum to enter into an area development agreement). This includes the \$160,000 that must be paid to the franchisor or its affiliates (based on a 5-unit area development agreement).

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.

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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 and area development agreement require 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. “Franchisee,” “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. We have no 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 began selling franchises under this offering in January of 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. You can choose to operate your Westside Pizza® restaurant as a standard restaurant with seating or as a smaller carry-out and delivery only restaurant. The grant of a franchise authorizes you to engage in our complete system under the name Westside Pizza® and other proprietary marks. Unless specifically stated otherwise, the disclosures for a carry-out and delivery only restaurant are the same as for a dine-in and delivery restaurant.

You are required to purchase and carry 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 development area, 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 an area development are the same as for a single unit.

General Description of Market and Competition. The general market for your products or services is well-developed and competitive. You will compete with national and local businesses offering similar products and services. Your competition will include any pizza delivery, pizza dine-in, carry-out, and take home 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 trade area.

Uniformity of franchise agreements among our franchisees may not always be possible or practical. We and our predecessors have offered in the past and we may offer in the future, franchise agreements to other franchisees on terms materially different from those included in this disclosure document. We also may materially vary the franchise agreement terms, conditions, and obligations (including those relating to fees, territories, training and other items) offered to other franchisees and except as may be required by applicable law we have no obligation to disclose these variations to you or to grant the same or similar variations to you.

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, including licensing, health, sanitization, menu labeling, smoking, safety, fire and other matters, food and safety regulations. 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 require a manager to have a food safety manager certification. The Clean Air Act and state implementing laws may also require certain geographic areas to attain and maintain certain air quality standards for ozone, carbon monoxide and particulate matter. As a result, business involved in commercial food preparation may be subject to caps on emissions.

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. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

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. You are not permitted to collect, store, transfer, etc., any unnecessary customer information. Additional information can be found at <https://www.pcisecuritystandards.org/>.

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 of operating your business.

Item 2

BUSINESS EXPERIENCE

Rodney Nelson - President and Franchisee Recruitment and Relations Manager. Rodney has been our President in Boise, Idaho since February 2017. From December 2011 until January 2017, he was our Vice President and a Franchisee Recruitment and Relations Manager.

Aaron Kuhn - Vice President of Operations. Aaron has been our VP of Operations in Boise, Idaho since February 2016.

Aaron Olson - Secretary and Chief Operations Officer. Aaron has been our Secretary and an Operations Manager in Boise, Idaho since our inception in December 2011.

Jeff Roberts – Development Manager. Jeff joined Westside Pizza International Inc. in Boise, Idaho in January 2021 to oversee development of franchise units. He was the original owner of the Yakima, Washington. Westside Pizza from November 2014 to July 2018.

David Offutt -Owner, General Manager. David joined Westside Pizza at the Yakima location in January 2014 as an entry level employee. In 2017 David was promoted to assistant manager and then promoted again to

General manager in 2018. Since 2019 David has assisted in store openings and trainings for Westside Pizza International, Inc., remotely from Yakima, Washington. As of January 2022, David has become part owner of the Yakima location. Since September 2016, David has been the owner and founder of West Coast Chameleons & Feeders, a reptile store in Yakima, Washington.

Eva Browning -Marketing Director. Eva joined Westside Pizza in September 2017 as our Marketing Director.

Item 3

LITIGATION

The following Consent Order is related to a company that has not had anything to do with the Westside Pizza franchise system since 2012, and with our former President. Jason West was removed as president and placed on indefinite administrative leave on October 18, 2016, and was never allowed to return to a position in the company. He was later permanently removed from the company.

State of Washington. On June 19, 2012, our predecessor from 2012, Jason West and JWE entered into *Consent Order S-12-0956-12-C001* 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 is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee. You must pay us a lump sum payment of \$30,000 when you sign the franchise agreement. To honor those men and women who have served our country in the U.S. Armed Forces, we will discount the initial fee by \$5,000 for the first unit developed, contingent upon verification of honorable separation.

Additional Franchise Purchases. For existing franchisees in good standing that purchase a second or subsequent franchise, we will discount the initial fee to the greater of \$20,000 or \$10,000 less than our then-current initial franchise fee.

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 the greater of \$20,000 or \$10,000 less than our then-current initial franchise fee, 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 for a fee of \$60 per hour, per attendee.

Grand Opening Marketing. Immediately after signing your lease, you are required to pay us a grand opening marketing fee of \$10,000 for us to promote your grand opening.

Area Development Agreement. If you enter into an area development agreement, you must pay, in one lump sum, the non-refundable initial franchise fee of \$30,000 for your first unit, plus the full reduced non-refundable initial franchise fee of \$20,000 for each additional unit to be developed at the time of signing the area development agreement. In addition, you must sign our then-current franchise agreement as each franchise 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. These costs and fees are uniform and are non-refundable for all franchises.

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	Currently 1%, up to 2% 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	This can increase up to 2% of gross sales upon notice from us. See Note 1.
Trade Area Adjustment Initial Franchise Fee	50% of our then-current initial franchise fee	Prior to adjustment	We have the right to adjust the boundaries of your trade area if the population in your trade area increases by 80% or more. In such instance, we will grant you a right of first refusal to acquire franchises within the trade area lost due to the adjustment for a fee equal to 50% of our then-current initial franchise fee.
Successor Franchise Fee	\$7,500	Before expiration of the current franchise agreement	A condition of renewal to offset expenses incurred in connection with a successor franchise
Relocation Fee	\$7,500	At the time we approve of the relocation	If you wish to relocate your business and we agree, you must pay this fee to us in order to defray our costs associated with updating documentation, reviewing new sites, and editing our website and promotional materials
License Line Fee	Then-current initial franchise fee for new franchisees; then-current additional franchise fee for	Upon signing	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 come first

Name of Fee	Amount	Due Date	Remarks
	existing franchisees in good standing		serve and will last for 1 year with up to two additional 1-year renewals (total of 3 years) unless terminated earlier.
Local Marketing Requirement	The lesser of 1% of gross sales or \$1,000 per month	Quarterly	
Advertising Cooperative	Up to 1% of gross sales, payable to the co-op if established by us	Payable in accordance with the marketing cooperative's governing documents	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.
Late Fees	Currently the fees are: \$50 per day for each late payment and for each late report, plus a fee of 1% of gross sales for the most recent full month	Upon due date of fees	Charges begin to accrue after the due date of any required payment or report. See Note 2.
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 on the total amount (fee plus any late charge) 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	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum).
Tax Reimbursement Fee	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge	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 period audited, or records are unorganized or unavailable.
System Non-Compliance Fines and Charges	1% royalty increase	As incurred	See Note 6.
Technology Fee	Up to \$400 per month, currently \$0	Payable with royalty	This fee is for use of our online ordering platform, app, and other technology we may provide and will be updated periodically in our manuals to account for increased costs

Name of Fee	Amount	Due Date	Remarks
			and new technologies, if applicable.
New Operating Principal or Management Training	\$60 per person, per hour	Before training	Any new majority owner, operating principal, or managers must complete the initial training program within 30 days of hire or designating or assuming the position as majority owner or operating principal. New managers may be trained by your operating principal, but we can require your managers to be trained by us if we believe it would be in your best interest. You must pay all associated travel, food, and lodging associated with such training.
Additional In-Person Training	\$60 per person, per hour	Upon billing which can be during training	See Note 3.
Delivery Territory Right of First Refusal Fee	Our then-current fee for additional franchises, currently \$20,000	Prior to acquiring the adjusted delivery territory	See Note 4.
Insurance Reimbursement Fee	Reimbursement of premium amount	Upon demand	You are required to hold and maintain your own insurance, but if you fail to do so, we have the right to obtain insurance on your behalf.
PCI and DSS Audit Reimbursement Fee	Costs of the audit	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.
Conference or Seminar Fee	Up to \$200 per month, 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 the future, which you must pay.
Compliance Re-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 5.
Supplier Evaluation 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.
Replacement Costs	Our costs, plus \$60 per hour for our time	Within 15 days of invoicing	If you fail to replace equipment, furniture, tools, etc., that is outdated, damaged, obsolete, etc., and we determine to replace those items for you.

Name of Fee	Amount	Due Date	Remarks
Additional Copies of Marketing Materials	Our costs, plus 10%, and the costs for shipping and handling	On demand.	We may assist you in developing the digital development of your marketing materials.
Fees on Default	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us.
Failure to Make Premises Available Post-Termination	\$2,500	As incurred	See Note 8.
Early Termination Liquidated Damages	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.	Upon your termination of the franchise agreement	See Note 7.
Transfer Fees	\$10,000	Before occurrence of transfer	Payable when you sell your franchise, substantially all of your assets, a controlling interest in your franchise, or offer securities. Transferees owning at least 5% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Transfer Fee to Existing Franchisee	\$5,000	Before occurrence of transfer	Payable when you sell your franchise, substantially all of your assets, a controlling interest in your franchise, or offer securities to a current Westside Pizza franchisee. Owners who own at least 5% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Minority Interest Transfer Fee	\$1,000	Before occurrence of transfer	Payable if you sell only a non-controlling and minority interest (40% or less of your franchisee entity -- cumulative during the term of the franchise agreement). Transferees owning at least 5% of the franchise must personally guarantee the franchise agreement for us to

Name of Fee	Amount	Due Date	Remarks
			approve the transfer. Subject to state law.
Indemnification Fee	Our damages and costs	As incurred or on demand	See Note 9.
Dispute Resolution Fees	Our legal fees and costs if we prevail	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.
Area Development Agreement Transfer Fees	\$10,000, plus \$7,000 for each undeveloped franchise	At the time of approved transfer	Payable when you sell any portion of your area development agreement or offer securities. Transferees owning at least 5% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.

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.

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, 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 also Includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. 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 or have a \$4,000 line of credit, 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. In the event the state where your franchise business is located determines that we are unable to collect royalties on alcoholic beverages sold at your franchise business, we have the right to modify the royalty rate to recoup these losses.

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 or any report not received by the required submission date. 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: 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. We can also require your operating principal and/or other key personnel to attend additional trainings if You are in default, if you do not pass an inspection or if we reasonably believe such training would be in the best interest of your franchise business. If the training is provided by a third-party, the rate is set by

them and may exceed \$60/hour. You must pay the travel, lodging, food, and other expenses of your attendees or our representatives during this additional training or assistance.

Note 4: 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 5: Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or after you have been given notice of default and failed to cure, 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. The interim management period will not last more than 6 months unless otherwise agreed between us.

Note 6: 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 our 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 7: In the event your franchise agreement is terminated early for any reason, you agree to pay liquidated damages. 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 ($\$3,000 \times 60\% \times 36 = \$64,800$); if the highest royalties paid in a month during the term of your franchise agreement were \$2,000 and there were 24 months remaining on the term of the franchise agreement, our liquidated damages would be \$50,000 ($\$2,000 \times 60\% \times 24 = \$28,800$). In addition, you will be responsible for reimbursement of all reasonable attorneys' fees and costs associated with collecting liquidated damages.

Note 8: 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 9: You must indemnify us from damages and costs related to 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. You are not required to indemnify us for liability caused by our willful misconduct, gross negligence, strict liability, or fraud.

Note 10: 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 to adjust to increased costs. 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 and includes the royalty, marketing fund fee, successor franchise fee, and transfer fees.



Item 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
(SINGLE UNIT FRANCHISE TERRITORY)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$30,000	Lump sum	Upon 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. \$35,000 to \$225,000	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 ⁶	\$450	As incurred	As negotiated	Suppliers
Equipment and Small Wares ⁷	Approx. \$75,000 to \$175,000	As incurred	Before opening	Suppliers
Initial Inventory and Supplies ⁸	Approx. \$12,000 to \$15,000	As incurred	Before opening	Suppliers
Grand Opening Marketing ⁹	\$10,000	Lump sum	After signing the lease	Us
Miscellaneous Opening Costs ¹⁰	Approx. \$5,000 to \$10,000	As incurred	Before opening	Government departments, and other third parties
Insurance Premiums ¹¹	Approx. \$6,900 to \$10,000	As negotiated	As negotiated	Insurance brokers
Signage ¹²	Approx. \$7,000 to \$16,000	As incurred	As negotiated	Third parties
Printing ¹³	Approx. \$2,500 to \$6,000	As incurred	Before opening	Third parties
Additional Funds ¹⁴	\$10,000 to \$20,000	As incurred	Expended over approximately the first three months of operation	Employees, professionals, utilities, suppliers, etc.
TOTAL¹⁵	Approx. \$214,350 to \$569,950			

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). To honor those men and women who have served our country in the U.S. Armed Forces, we will discount the initial fee by \$5,000 for the first unit developed, contingent upon verification of

honorable separation. We offer a manager incentive in the form of a reduced initial franchise fee and a POS system credit for Westside Pizza® managers who qualify (see Item 5).

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. The lower range of costs will be for the carry-out and delivery only restaurants and therefore requires less space and fewer improvements. You may choose to spend more for leasehold improvements, but this is not normally recommended and is not included in the estimates. 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 design 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. These sums do not include any sums for purchase of real property, as it is not anticipated that you will purchase real property. 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 \$23 and \$90 per square foot.

Note 4: Rent. The range is the estimated lease amount for the first three months of your lease. The lower range of costs will be for a carry-out and delivery only restaurant and therefore requires less rented space. 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 higher in certain metro markets. The high and low presented above are based on the \$28 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 rent-free 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. At all times during the term of your franchise agreement you are required to use QuickBooks online. You are required to use Fran Metrics to set up, organize, and analyze your accounting. And you are required to use QuickBooks Online (currently \$42 per month for a single location) and Fran Metrics software reporting system subscriptions that are not included in this figure.

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. Inventory includes pizza ingredients, beverages, packaging, cleaning supplies and paper products.

Note 9: Grand Opening Marketing. This amount is paid to us and is for marketing for two months prior to opening and the first month of marketing after opening.

Note 10: 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. Rates for professionals can vary significantly based on locale, area of expertise and experience.

Note 11: Insurance Premiums. This estimates the cost of your annual premium for required insurance.

Note 12: 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/pole sign if available.

Note 13: Printing. You are required to obtain certain printed items for use in the franchise business prior to opening.

Note 14: 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 or have a \$4,000 line of credit even after royalties have been paid. Employee compensation is between you and your employees and may vary. 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 since 2012 in opening and operating Westside Pizza® units and franchisees to compile these estimates.

Note 15: 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. 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.

YOUR ESTIMATED INITIAL INVESTMENT (5-FRANCHISE UNIT AREA DEVELOPMENT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Area Development Fee ¹	\$110,000	Lump sum	Upon signing the franchise agreement	Us
Estimated initial investment to open five units	\$887,175 to \$2,649,675	Estimated based on the single unit estimates (minus the initial franchise fee) in the above Item 7 chart for a single unit, multiplied by 5.		
TOTAL ¹⁴	Approx. \$997,175 to \$2,759,675			

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 Area Development Fee. There is no minimum required number of units to develop under the area development agreement; however, we have provided a 5-unit example in the table to demonstrate a probable scenario for the development of five units. The initial area development fee is equal to \$30,000 for the first unit and \$20,000 for each additional unit to be developed. The initial area development 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: Estimated Initial Investment. Except for the initial area development fee, all fees in the above area development, 5-unit chart are based on the single unit estimates, multiplied by five. If you develop fewer than five units, the fee will be lower, and if you develop more than five units, the fee will be higher.

Note 3: Total. These figures are estimates for the development of five franchise units, 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 and/or from approved suppliers. You may 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

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.:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	\$2,000,000 per occurrence and \$4,000,000 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
Assault and battery insurance	\$500,000 sub-limit
Employment practices liability insurance	\$1,000,000
Liquor legal liability or "dram shop" insurance	\$2,000,000 per occurrence
Government required insurances	All worker's compensation and employment insurance on your employees as required under all federal and state laws.

These policies (excluding worker's compensation) 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. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance we may obtain insurance for you and you will pay us the premium costs. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We do not derive revenue from your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement. We have the right to require that you obtain from your insurance company, and subsequently provide to us for our review, a report of claims made and reserves set against your insurance (commonly known as "loss runs").

If your premises are damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days from receiving the proceeds, unless we consent otherwise in writing.

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

All currently approved suppliers and specifications are made available to you before the beginning of operations. 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 fiscal year ending on December 31, 2024, our revenues from the sale of these products and services to franchisees from third party vendors was \$392,981 or 28.7% of our total revenues of \$1,366,11. We also received \$19,500 in franchise convention sponsorships from vendors.

We currently receive a \$0.06 per pound rebate from our supplier for certain meats purchased by our franchised locations. We received an \$.80 cent/case admin allowance, \$.20cent/case ACH incentive, \$.05 cent/case WSP Convention allowance from our approved food vendor for qualifying purchases made by our franchisees. We are a member of a purchasing group called CSM Cost Solutions and receive an average of \$4,792 per month in rebates. We receive \$.65 from our food supplier per bag of flour. We receive from our designated beverage supplier an initial support funds of \$15,000, an annual \$10,000 promotional Allowance,

\$500.00 new store opening incentive, and a rebate of \$1.50 per case of 2-liter bottles purchased, \$.50 per 12oz 12-pk, \$3.00 per case 20oz 24-pk and \$3.50 per gallon of fountain drink mix purchased. We receive a \$.05 per pound rebate from DFA, our cheese supplier. We receive \$2.00 per case of proprietary seasoning mix from our seasoning supplier. We receive a \$2.00 per case on our branded parmesan packets & \$1.00 per case on our branded crush red pepper packets from our supplier. We receive \$2.00 per case from our box supplier. We receive a \$.01 per printed item from our preferred print company.

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.

Unapproved Suppliers. We base our specifications and product and supplier approvals on our discretionary determination of quality, supplier's production and delivery capabilities, price, reputation of the supplier quality assurance systems, 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 or if you would like us to consider alternative goods, there is no fee for supplier or good 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 or alternative good. We will respond to a written request to approve or disapprove a supplier or good within a reasonable time, normally 30 days of its submission. At our discretion, we may revoke our approval from an approved supplier or alternative good upon 30 days' written notice to you.

Standards and Specifications. 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 you based your 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	Item 11
b.	Pre-opening purchases/leases	Section 4.4 and paragraphs 6.1.3, 6.1.11 and 6.1.13	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Sections 4.3 and 4.4	Items 7 and 11
d.	Initial and ongoing training	Paragraphs 6.1.4 and 6.1.5 and sections 7.3 and 7.4	Item 11

e.	Opening	Sections 4.4 and Paragraph 7.3.1	Item 11
f.	Fees	Article V and Exhibit "A-3" of the franchise agreement and Article 4 of the area development agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Manual	Section 6.2 and Article IX	Items 8, 11 and 16
h.	Trademarks and proprietary information	Article III of the franchise agreement and Article 8 of the area development agreement	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Items 8 and 16
j.	Warranty and customer service requirements	Paragraph 6.1.2 and section 8.5	Item 11
k.	Territorial development and sales quotas	Exhibit "A-1" of the franchise agreement and Sections 2.1 and 2.3 of the area development agreement	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.9	Item 11
n.	Insurance	Paragraph 6.1.11	Items 7 and 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2 of the franchise agreement and Section 6.5 of the area development agreement	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.7, 6.1.8, 6.1.10 and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5 of the franchise agreement and Section 6.4 of the area development agreement	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iv)	Items 6 and 11
t.	Transfer	Article XIV of the franchise agreement and Article 11 of the area development agreement	Item 17
u.	Renewal	Section 2.2 of the franchise agreement and Section 3.4 of the area development agreement	Item 17
v.	Post-termination obligations	Section 12.1 of the franchise agreement and Article 10 of the area development agreement	Item 17
w.	Non-competition covenants	Article XVI	Item 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Sections 4.1 and 4.3 and paragraph 6.1.1 and 6.1.10	Item 12
z.	Guarantee of franchisee obligations	Section 6.3	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 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 will provide you with general guidance regarding our standards for selecting a site, but 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. If you and we disagree about the proposed location, you must locate another acceptable site for your franchise business and repeat the process within the required timeline. 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). If you enter into an area development agreement, we must approve of your site for each of your units. Our approval or disapproval of a proposed site will be based on our then-current standards for approving sites. 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.
- 3) Make available general written specifications for store construction or remodeling and for all required equipment, signs, fixtures, opening inventory, and supplies. Unless we are an approved supplier of an item and you purchase the item directly from us, we do not provide these items to you directly, but we do provide you with the names of the approved suppliers for these items. We provide you preliminary design/layout 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 for obtaining any required licenses and permits. We do not assist 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 majority owner, operating principal (if different from your majority owner), and manager(s) in our training program described in detail below (Section 6.1.4 and 7.3, Franchise Agreement).
- 5) Be present at your franchise business premises for seven days to provide you with pre-opening and opening assistance (Section 7.3.1, Franchise Agreement). You must have obtained all necessary permits and all your equipment must be functioning for us to provide this assistance. 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 or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. Our manuals may be amended,

supplemented, or replaced at any time. The manuals are confidential, will remain our property, and 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 control 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 for the manuals is attached as Exhibit "F" to this disclosure document. Our manuals are provided in electronic format and is equivalent to approximately 121 pages (Article IX, Franchise Agreement).

Lease, Construction and Commencing Operations. You will have 60 days to have a site approved 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 we approve your site. We must approve 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 lease 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 or within seven days of receipt of written notice from us that your premises are approved, whichever comes first (Sections 4.3 and 4.4, Franchise Agreement).

You must notify us when your restaurant is ready to open and specify an opening date between 14 and 21 days after your notice is provided to us. 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 (Paragraph 4.4.1, 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.

Failure to meet these deadlines for any reason, including our disapproval of a proposed site location, or if we cannot agree on a site, may result in a termination of the franchise agreement without a refund (Paragraph 4.4.2, Franchise Agreement).

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 (the frequency determined solely by us) 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 (Article IX, Franchise Agreement).

3) Provide additional or supplemental training for you and your management employees for a current cost of \$60 per hour. You will also be required to cover all travel, lodging, food, and other expenses of your attendees or our representatives (Paragraph 6.1.4(ii), Section 7.2 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. If we provide you with an email account/address, we have the right to access your email account. You are not allowed to use a non-approved email for business purposes involving the franchise business. You must at all times maintain and frequently check a valid and approved email address, provided by, known and available to us, to facilitate our communication with you (Paragraph 6.2.2(i), Franchise Agreement).

After you open your business, we may:

5) Maintain a website for the Westside Pizza® brand that will include your business information and telephone number for your franchise business (Franchise Agreement section 7. 5).

6) To the degree permitted by law, suggest retail prices, specify maximum and minimum pricing above and below which you cannot provide any goods or services (Section 6.1.12, Franchise Agreement).

7) Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. Inspections may be conducted without prior notice to you. Upon our request, at all reasonable times, you will provide us with 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).

8) Hold conferences to discuss improvements, new developments, mutual concerns and business issues. At this time, attendance is not mandatory, but this policy may change at some time in the future. Currently, there is no conference fee, but you must pay all your travel, lodging, food and other expenses. These conferences will be held at various locations chosen by us (Paragraph 6.1.14, Franchise Agreement).

9) 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).

10) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable (Section 7.4, Franchise Agreement).

11) 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).

12) 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 the supplier

or manufacturer of those items regarding warranties, defective products, training and support (Section 8.5, Franchise Agreement).

13) 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, and 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 (except for required changes to the trademarks, or changes due to health or government mandates, guidelines, or public concerns which we may require at any time). This can include changing out items such as flooring, wall treatments, signage, lighting fixtures, and other physical elements of your franchise business. We may also require you to invest in new or updated equipment and technology at any time. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement. We also have the right to require you replace equipment at any time. You must implement all changes within the time frames required by us (Section 6.1.9, Franchise Agreement).

14) Refine and develop products or services that you will offer to your customers (Paragraph 6.2.2(iii), Franchise Agreement).

Employment Matters. We do not assist you with the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules, or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual, but if we do, it will only be an example of certain employment matters that you may adopt or not. It is your responsibility to comply with state and federal employment laws (Paragraph 6.1.10, Franchise Agreement).

Advertising and Promotion. You are required to participate in all marketing programs as directed by us and to use all materials, mediums, and other information made available to you in doing so. 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 marketing materials for your use, at your cost, but all marketing material developed or used by you must have our prior written approval. Any marketing materials or concepts you create becomes our property and will be considered a "work-made-for-hire" that can be used by us and 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 marketing 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).

Marketing Fund. Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system or to spend any amount on advertising in your trade area, we have the right to, and currently do 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 may utilize the marketing fund to develop and test various media and technologies for potential utilization and/or improvement of the system and marketing of the system (Section 10.1, Franchise Agreement).

You must contribute 1% of your weekly gross sales to the marketing fund, and we can increase this amount to up to 2% upon written notice from us. We and our affiliates contribute to this fund on the same basis as the franchisees. A few legacy stores are not required to contribute to the fund, but otherwise all franchise businesses contribute (Section 10.1, Franchise Agreement).

We are responsible for administering the marketing fund, but we are not a fiduciary or trustee of the marketing fund. We will direct all uses of the marketing fund, with sole discretion over: 1) the creative concepts,

materials, endorsements and media used (that may include television, Internet, social media, 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 (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement and allocation of these programs (that may 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 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, commissions, market research, marketing development and creation, production costs, costs for developing and monitoring a home page on the Internet or an Internet-like service, and other costs relating to the marketing fund (Franchise Agreement paragraph 10.1.2).

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 expenditures from the marketing fund will benefit you or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We currently maintain a separate fund for the marketing fund but are not required to do so and this may change in the future. We do not use marketing fund fees to solicit new franchisees, but we reserve the right to include a notation in any advertisement or website indicating “franchises available” or similar phrasing.

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. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year, but such written request must be received within 90 days of our fiscal year end (Franchise Agreement, paragraph 10.1.2). During the 2024 fiscal year we collected \$243,103 in marketing funds, which were used in the following manner: 31.26% on Google/Facebook marketing, 3.85% on website optimization/SEO, 1.08% on loyalty, 7.06% on local SM/SEO/NAP/Reviews, 35.12% on out-of-home marketing (i.e., mailers, radio, tv commercials), 7.95% email marketing, 5.55% rebranding, 8.04% administrative, and 0.09% on TripAdvisor.

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 company-owned location and one vote per franchise in good standing within the cooperative. Members of the cooperative must make contributions pro rata based on the number of units in the cooperative. The timing and amount of contributions you make 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 your contributions made to the marketing fund. We and our affiliates within the cooperative 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. You are not required to join or contribute to more than one advertising cooperative for any single franchise business unit/territory (Paragraph 5.3.3 and Section 10.2, Franchise Agreement).

We currently have 21 stores participating in an advertising cooperative for direct mail marketing purposes, but participation is not mandatory and franchisees can join and leave each quarter.

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 1% of gross sales each full calendar quarter or \$1,000 per month (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 the month of each succeeding quarter, on forms to be determined by us (Section 10.3, Franchise Agreement).

Internet and Social Media. 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 without our prior written permission. If we do provide written approval to create your own website or social media for the franchise business. Such website and/or social media and all related content will be owned by us. All content must be pre-approved by us in writing, and you are required to provide us 24/7 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. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. All social media you are permitted to 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 from our designated supplier. The initial cost for these purchases is approximately \$12,000. In addition, we require you to obtain a static Internet Service Provider (ISP) address. The fee for an ISP address is typically between \$20-\$100 per month.

The data generated and stored on your POS and computer systems includes customer information, sales, and revenue data. We will have independent access to the information and data collected or generated by the computer systems. You must keep these systems available for our access 24 hours a day, 7 days a week. All data collected or provided by you, downloaded from your POS system, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you. 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 contractual 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 above any sort of subscription fees. We are not required to maintain, repair, update and/or upgrade your 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 \$4,400 and \$6,000 per year depending on how many terminals you have. We may in the future require you to obtain additional POS terminals and/or computer systems. We reserve the right to change the POS and computer system at any time, and you are required to comply with and are solely responsible for the fees associated with such changes. We have no way of predicting or estimating what the costs for these POS and computer systems might be until we determine the actual POS and computer systems. We are not required to maintain, repair, update and/or upgrade your POS and 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. You are required to pay for and use QuickBooks Online and Fran Metrics during the term of your franchise agreement, but we have the right to change required accounting software and programs, and you must comply with any such changes. QuickBooks Online current monthly charge ranges from \$35 to \$235 per month. Currently, we require use of Fran Metrics to set up, organize, and analyze your accounting, and to maintain a monthly subscription with Fran Metrics. The Fran Metrics setup fee is \$450, and their current monthly subscription fee is \$450. All required reports must be submitted through Fran Metrics. If you fail to timely submit and to maintain financial reports as required under the franchise agreement, we have the right, as determined solely by us to require you to use and pay our preferred accounting management company for the term of your franchise agreement. We have the right to independent view-only access to the information and data collected or generated by both the accounting management company and your computer system, and which is required in our reports, and you are required to allow the accounting management company administrator access to your QuickBooks accounts. The accounting management company 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 (Section 6.1.13, and Paragraph 6.1.13(ii), Franchise Agreement).

Loyalty Programs. You are required to participate in the loyalty, gift card, discount, memberships, subscriptions, and coupon programs we develop. You are not allowed to implement any sort of loyalty, coupon, membership, gift card or subscription model without our prior written permission (Paragraph 6.2.2(ii), Franchise Agreement).

Online Ordering and Delivery. You must participate in any online ordering program for takeout or delivery program we create or adopt and cover the applicable fees for such program. You will not participate in any third party delivery platform unless approved by us (Paragraph 6.2.2(v), Franchise Agreement).

Initial Training Program. We provide an 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. 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 and is based on your attendees' knowledge and demonstration of competency in the various aspects of operating a Westside Pizza® franchise business (Paragraph 6.1.4, Franchise Agreement).

Your "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. The operating principal must be involved with the business as described in Item 15 (Article XXI, Franchise Agreement).

The length of training is generally 7 to 12 days but could be longer if your majority owner, operating principal, or your designated manager fails to successfully complete the training. Successful completion of training, as determined by us, must be completed 30 days before you may open your franchise business. Successful completion will be determined by our trainers and is based on your attendees' demonstration of competency in the various aspects of operating a Westside Pizza® franchise business. The estimated cost of training is between \$1,000 to \$3,000 per person (Paragraph 6.1.4, Franchise Agreement).

There is no training fee for up to 3 people to attend training, but we charge a training fee of \$60 per hour per attendee for each additional person attending the initial training. You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). The estimated cost of attending training is listed in Item 5 and Item 7.

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 ¹			
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
Marketing & franchisee resources	2 hours		Boise, ID store or other location we choose
Phone answering, pizza making, food prep, stocking, cleaning and other operational procedures		20 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
Total Hours	9.25 hours	37.5 hours	

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.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Rodney Nelson	Financial/bookkeeping	Since 2007	Since 2007	Listed in Item 2
Aaron Olson	Operations training	Since 2007	Since 2007	
Aaron Kuhn	Operations training	Since 2012	Since 2016	Listed in Item 2
David Offutt	Operations training	Since 2014	Since 2014	Listed in Item 2
Eva Browning	Marketing training	Since 2017	Since 2017	Listed in Item 2

Materials Provided at the Initial Training. We will provide access to our manuals during the initial training and other handouts to facilitate training. All attendees at any training must sign a non-disclosure agreement acceptable to us before attending the training.

New Operating Principal or Management Training. After the initial training, any new majority owner, operating principal, and manager must complete initial training within 30 days of hire or designating as majority owner or operating principal. New managers may be trained by your operating principal, but we can also require your managers to be trained by us if we reasonably believe such training would be in the best interest of your franchise. Our fee for this additional training is currently \$60 per person, per hour. You will also be responsible for covering the travel, food, and lodging for your attendees or our representatives (as applicable) (Paragraph 6.1.4(i), Franchise Agreement).

Additional In-Person Training. Depending on availability and advanced written notice, if you would like additional in-person training, we may provide this training to you. We can also require your operating principal and/or other key personnel to attend additional trainings if You are in default, if you do not pass an inspection, or if we reasonably believe such training would be in the best interest of your franchise business. We can limit additional training to a certain number of days, attendees, and/or representatives at a time including four days at a time. You will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives (Paragraph 6.1.4(ii), Franchise Agreement).

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

Item 12

TERRITORY

Non-Exclusive Territory. You will not receive an exclusive territory ("trade area") 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. You may not subcontract off-site delivery services to a third party without our prior written approval.

Non-Traditional Outlets. We and our affiliates, either personally or through agents and representatives, exclusively reserve the right to own and operate or sell Westside Pizza® outlets through non-traditional franchises at our discretion, both within and without your trade area, without paying compensation to you. These outlets may include locations at malls, convention centers, military bases, hotels, grocery stores, universities, sporting arenas, airports, or other similar locations.

Grant of Territory. Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within the trade area, the boundaries of which will be negotiated prior to signing the franchise agreement and are described in the franchise agreement.

Size of Your trade area. You will normally receive a partially protected trade 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 any protected trade 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. In determining the total population within your territory, we generally consult the United States Census estimate, available via the Internet website located at census.gov/quickfacts.

Adjustment of Territory Boundaries. 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 demonstrated by demographic data available to us at the time of the trade area adjustment. In such instance, we will grant you a right of first refusal to acquire to adjusted-out portions of your trade area 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, apps, or social media.

Advertising Within and Outside the Trade Area. Neither you nor other franchisees may actively market (hard or directed advertising) within another franchisee's territory.

Territory Restrictions. 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 trade area, or to provide food truck or similar off-site services.

Relocation. You do not have the automatic 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 \$7,500 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. Approval to relocate is determined on a case-by-case basis and is based on factors such as your operational history, our then-current criteria used in approving a new franchisee's proposed site, and other factors that are relevant to us at the time of the relocation request. We have the right to deny any relocation request.

Minimum Sales Requirement. Your franchise agreement is dependent upon achievement of a minimum sales volume, market penetration or other contingency. Specifically, you must achieve \$12,000 in monthly gross sales throughout the term of the franchise agreement. In the event your sales fall below \$12,000 per month for a period of three consecutive months, we have the right to cancel your trade area's partial protection.

Our Rights to Use Channels of Distribution in Your Trade Area. 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 (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 trade area. 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.

Options to Acquire Additional Franchises. 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). 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.

Our Previous Activities in Your Area. In the past, we or an affiliate have used one or more of the following distribution channels to sell and distribute products and services in your trade area under the Westside Pizza® brand: websites, television, radio, apps, social media, direct marketing, retail outlets.

National Accounts. We reserve the right to sell, market and distribute the Westside Pizza® products services to national accounts in your trade area. A "national account" is defined as a company with multiple units or outlets located in more than one geographical area or market. It also includes professional sports teams as well as collegiate organizations. We will designate if and how franchisees will sell or service national accounts.

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, national business accounts, etc. both within and without your trade area or development area.

Non-Exclusive Development Area. You will not be assigned an exclusive area for your development business. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish another traditional franchise or company owned traditional brick and mortar unit using the trademark within your development area during the term of your development agreement.

The size of the development area is to be negotiated and the written boundaries will be included in your area development agreement. The schedule of units to be developed in your area are negotiated between you and us. To maintain your area development rights, you must develop the number of franchise businesses by the deadlines listed in your development schedule.

We must approve of the site for each of your units. Our approval or disapproval of a proposed site will be based on our then-current standards for approving sites.

If you do not meet the development deadlines, we may terminate your development agreement. In case of termination, you may continue to own and operate all units that you have developed and are operating and that faithfully perform the terms of each franchise agreement.

The area development agreement terminates once you develop your last unit to be developed or upon your breach and failure to timely cure. Upon termination, you will cease to have any ongoing development rights, and we will be free to own, operate, or franchise Westside Pizza® businesses anywhere in the development area unless prohibited by any existing franchise agreement you sign.

Our Reservation of Rights in Your Development Area. We, and our parent or affiliates, 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, hospitals, industrial sites, airports, or other similar locations. Non-traditional units, whether or not owned by you, will not count towards your development schedule.

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/Serial Number	Type of Mark	Registration/ Filing Date	Status
	3,626,809	Composite mark	May 26, 2009	Registered
it's all about the pizza!	4,271,716	Composite mark	January 8, 2013	Registered
WESTSIDE PIZZA	4,830,349	Word mark	October 13, 2015	Registered
WESTSIDE PIZZA GO	6,958,765	Word mark	January 17, 2023	Registered
	6,885,995	Composite mark	October 25, 2022	Registered
	6,958,766	Composite mark	January 17, 2023	Registered
	99/016043	Composite mark	January 23, 2025	New application; pending initial review by USPTO

Although we have a registered trademark for the name “Westside Pizza,” and our other logos we do not have a federal registration for our new trademark logo. Therefore, our new trademark logo does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark logo, which may increase your expenses.

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, social media account, email account, etc., using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name, social media, email, etc., in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark. You must promptly modify or discontinue the use of a trademark at your cost, if we modify or discontinue it, and you have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark, or we require you to use a different trademark.

Government 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 trade area.

Protection Against Infringement. You are obligated to notify us immediately of any infringement of, or challenge to, your use of our trademarks. We have the right to control any administrative proceedings or litigation involving the trademarks, and you must proceed in strict coordination and oversight by us. We will have the discretion to take the action we deem appropriate. The franchise agreement does not require us to take any affirmative action when we are notified of such uses or claims.

We are not obligated to protect any rights that you have to use the trademarks, or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost,

from any of these claims if we elect not to prosecute the claim of infringement or unfair competition. You may not act contrary to our rights in the marks. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademarks.

You may not contest our ownership, title, rights or interest in our trademarks that are part of our business. Any goodwill associated with the trademarks or system belongs 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 or logos 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. We or an affiliate may develop software or apps. In such cases, we claim copyright protection on all such items. You must modify or discontinue the use of any copyright at your cost, if we modify or discontinue it, at our reasonable discretion.

Proprietary Information. You may only use the proprietary information contained in our manuals but only in connection with the system and only during the term of your franchise agreement. 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. Portions of the "system," including certain processes, recipes, mixes, products, customer lists, etc., 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.

Protection Against Infringement. You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals, or challenge to your use of any of our other proprietary information. The franchise agreement does not require us to take any action when we are notified of such uses or claims, but we will respond to this information as we believe appropriate. 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.

Government Determinations Regarding Patents and Copyrights. There are presently no effective determinations by the United States Patent and Trademark Office, the United States Copyright Office, or any



court regarding a patent or copyright. There are no agreements currently in effect that significantly limit our rights to use or license the use of any patent or copyright.

Infringing Uses. There are presently no known infringements of the copyrights or patents.

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, who must be your principal point of contact, 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 acts 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 and Successfully Complete Initial Training. Your majority owner, operating principal (if other than your majority owner), and your designated manager must attend and successfully complete our initial training program. If you wish to change your majority owner, 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 must sign our standard brand protection agreement for principals agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 (exhibit A-4 to the Franchise Agreement). Some states may impose certain restrictions on non-competition agreements.

Required Operations. You must operate the franchise business during 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. 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 respective 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.

Area Developers. If you have an area development agreement, you are required to designate one of your owners as your operating principal. Your operating principal will be principally responsible for communicating and coordinating with us regarding business, operational and other ongoing matters concerning the area development agreement and all of the units that you develop as part of the area development agreement. Your operating principal will have the full authority to act on your behalf in regard to performing, administering, or amending the area development agreement and all franchise agreements executed as a result of your exercising your rights under the area development agreement. The operating principal may be the same person as the operating principal of one of your units.

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. We do not currently have any restrictions or conditions that limit access to customers to whom you may sell goods or services. We do not put limitations on customers frequenting your business. 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 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 10 years. The franchise term will begin upon signing the franchise agreement and may be extended to end 10 years from the date you commence operations.
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	In order to renew, you must, among other things, not be in default, pay a successor franchise fee of \$7,500, sign our 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. You are required to give us notice of your intent to not renew between 6 and 12 months prior to the expiration of your franchise agreement or

Provision	Section in Franchise or Other Agreements	Summary
		you will automatically renew on a month-to-month basis until you sign the successor franchise agreement (subject to state law). Alternatively, if at the time for renewal we are not offering franchises in the U.S. 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 U.S. 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.
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) 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 O - Y	You have between 48 hours and 30 days to cure certain material defaults of the franchise agreement.
h. "Cause" defined – non-curable defaults	Section 11.1 A - N	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	There are no restrictions on our right to assign.
k. "Transfer" by franchisee - defined	Sections 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, transfer of ownership interest, the sale of substantially all your assets, etc.
l. Our approval of transfer by you	Sections 14.2	We must approve all transfers but will not unreasonably withhold or delay approval.

Provision	Section in Franchise or Other Agreements	Summary
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 of written notice to us of the offer.
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 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 180 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 a 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 your trade area, or within 15 miles of any other Westside Pizza business. If you compete within the restrictive period, this non-compete period will be tolled and extended for the period of your competition. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you cannot on your own behalf or on behalf of a competing business solicit,

Provision	Section in Franchise or Other Agreements	Summary
		divert, or attempt to divert any business or customer of your franchise business that you serviced or with whom you interacted during your term as a Westside Pizza® franchisee, from us, an affiliate, or our franchisees, or injure our goodwill.
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). No provision in any franchise agreement is intended to disclaim the 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 3.5 & Exhibit B	The term depends on the number of units you will develop.
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 3.5	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 development agreement.

	Provision	Area Development Agreement	Summary
f.	Termination by franchisor with cause	Section 9.1	We can terminate only if you are in default of your agreement.
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 development agreement.
h.	"Cause" defined – non-curable defaults	Section 9.1.1	Non-curable defaults: insolvency, repeated defaults even if cured, abandonment of your obligations under the area development agreement; if you, for 4 consecutive months, or any shorter period that indicates an intent by you to discontinue your development of units within the development area, and termination of any of your franchise agreements, etc.
i.	Developer's obligations on termination/non-renewal	Article 11	In the event we terminate your area development agreement, you will no longer have any development rights. However, you may continue to own and operate all units that you have developed and that are faithfully performing under the terms of the franchise agreement.
j.	Assignment of contract by franchisor	Article 12	No restrictions on our right to assign.
k.	"Transfer" by developer - defined	Article 12	Includes assignment and transfer of contracts, security interests and ownership change.
l.	Franchisor approval of transfer by developer	Article 12	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Article 12	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	Article 12	We can match any offer for your area development 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	Article 12	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	Article 12	No involvement in a competing business. Non-competition provisions are subject to state law.

	Provision	Area Development Agreement	Summary
r.	Non-competition covenants after the developer is terminated, transferred or expires	Article 12	No competing business for 2 years within 50 miles of your development area or within 15 miles of another then-existing Westside Pizza® franchise or company or affiliate owned business (including after assignment). If you compete within the restricted time period then this non-compete time period will be tolled and extended for the period of your competitions. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your area development agreement, you cannot, on your own behalf or on behalf of a competing business solicit, divert or attempt to divert any business or customer from us, an affiliate, or our franchisees, or injure our goodwill.
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 area development agreement may not be enforceable. No provision in the area development agreement is intended to disclaim the express representations made in this franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	Section 15.2	Except for certain claims, for all disputes there must be a face-to-face meeting, mediation, and arbitration – 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 applicable state law).
w.	Choice of Law	Section 16.2	Idaho law, the Federal Arbitration Act and the United States Trademark Act apply (subject to applicable state law).

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.

2024

Shown below are unaudited monthly gross sales as reported to us by 33 of our 37 franchised and company-owned locations for the year ending December 31, 2024. All 33 locations were open for the full 2024 calendar year. The below table shows gross sales for both our sit-down and our carry-out only restaurants and there is no material difference in gross sales between the two types of Westside Pizza pizzeria businesses. Several of our carry-out only restaurants outperform the sit down restaurants. Because there is no material difference in gross sales the figures are combined to represent all Westside Pizza system restaurants. Our legacy franchise unit located in Colville, Washington does not follow the full system; however, it reports its sales to us and we use that location as part of our Item 19 disclosures. The other 2 legacy locations do not report and are not included. In addition, 5 of the units reporting below are company/affiliate owned locations that were open for all of 2024.

MONTHLY SALES FOR 33 PIZZERIAS BY UNIT IN 2024

Unit	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	\$77,449	\$78,812	\$89,381	\$92,128	\$101,079	\$82,995	\$88,930	\$95,054	\$92,352	\$92,853	\$84,754	\$82,981
2	\$95,636	\$88,308	\$97,290	\$94,364	\$105,222	\$103,525	\$103,756	\$112,568	\$95,892	\$106,309	\$93,850	\$89,216
3	\$61,371	\$57,435	\$63,788	\$60,784	\$64,583	\$62,226	\$63,788	\$69,952	\$60,723	\$67,238	\$63,501	\$61,727
4	\$72,824	\$77,179	\$80,913	\$85,620	\$91,672	\$92,382	\$103,527	\$95,356	\$88,937	\$86,142	\$77,441	\$75,480
5	\$35,226	\$32,481	\$37,811	\$39,099	\$39,285	\$38,309	\$40,363	\$44,098	\$39,569	\$39,550	\$32,730	\$34,031
6	\$65,899	\$63,758	\$74,522	\$78,322	\$111,287	\$154,030	\$252,017	\$223,963	\$115,140	\$88,089	\$74,578	\$78,292
7	\$39,534	\$45,576	\$44,136	\$42,782	\$51,329	\$48,192	\$46,306	\$50,674	\$49,838	\$54,213	\$52,150	\$51,873
8	\$63,133	\$64,813	\$75,054	\$74,955	\$82,467	\$81,929	\$88,693	\$87,197	\$79,875	\$81,740	\$79,731	\$75,098
9	\$89,028	\$86,317	\$102,284	\$100,611	\$105,770	\$110,818	\$115,697	\$120,199	\$101,282	\$102,197	\$94,476	\$92,504
10	\$56,356	\$56,136	\$61,476	\$53,332	\$57,427	\$56,621	\$58,301	\$63,465	\$62,741	\$62,251	\$52,804	\$49,284
11	\$76,878	\$74,115	\$81,485	\$80,512	\$86,043	\$82,167	\$80,352	\$88,402	\$80,715	\$85,874	\$73,344	\$81,005
12	\$60,672	\$57,731	\$65,861	\$59,988	\$77,765	\$73,516	\$69,987	\$75,014	\$70,077	\$71,859	\$67,637	\$67,743
13	\$44,492	\$43,874	\$50,449	\$43,619	\$44,539	\$44,385	\$47,983	\$46,165	\$48,630	\$52,288	\$42,841	\$39,341
14	\$31,915	\$35,957	\$38,323	\$35,701	\$41,152	\$37,786	\$37,652	\$39,132	\$34,981	\$40,099	\$38,634	\$39,644
15	\$44,915	\$35,504	\$42,144	\$44,518	\$45,856	\$48,500	\$49,061	\$56,584	\$51,901	\$56,505	\$53,238	\$49,903
16	\$68,818	\$65,615	\$70,550	\$68,739	\$72,761	\$74,589	\$72,841	\$75,567	\$66,300	\$70,409	\$69,001	\$69,846
17	\$59,414	\$62,635	\$81,575	\$74,543	\$80,196	\$77,793	\$96,283	\$92,300	\$72,086	\$66,608	\$61,879	\$66,068
18	\$86,009	\$83,654	\$92,285	\$85,044	\$90,929	\$91,512	\$87,889	\$90,574	\$84,563	\$90,311	\$80,035	\$89,672
19	\$46,025	\$47,745	\$48,505	\$41,019	\$50,198	\$52,510	\$47,727	\$64,781	\$73,228	\$74,475	\$63,616	\$62,349
20	\$45,615	\$41,864	\$45,819	\$38,430	\$40,965	\$40,356	\$46,588	\$48,801	\$53,435	\$54,571	\$54,129	\$43,365
21	\$67,219	\$66,230	\$77,073	\$76,070	\$84,310	\$86,264	\$92,341	\$92,050	\$80,860	\$82,985	\$78,474	\$81,874
22	\$66,504	\$68,921	\$76,799	\$72,249	\$77,315	\$76,440	\$82,570	\$84,851	\$76,331	\$77,182	\$73,354	\$70,632
23	\$79,890	\$77,969	\$87,725	\$81,054	\$85,433	\$81,123	\$79,087	\$87,239	\$76,844	\$82,087	\$78,307	\$83,402
24	\$55,932	\$53,414	\$60,802	\$57,108	\$64,454	\$52,176	\$48,740	\$55,251	\$55,281	\$62,918	\$55,032	\$53,846
25	\$64,545	\$63,065	\$71,714	\$66,251	\$73,158	\$73,996	\$75,938	\$72,296	\$68,305	\$70,090	\$66,635	\$67,930
26	\$41,358	\$39,261	\$40,288	\$40,064	\$39,507	\$36,459	\$37,636	\$40,113	\$40,511	\$44,157	\$42,585	\$44,687
27	\$37,090	\$40,308	\$45,901	\$46,032	\$48,061	\$48,715	\$51,230	\$50,259	\$45,925	\$43,555	\$42,017	\$41,241

28	\$41,226	\$32,300	\$43,583	\$43,386	\$49,583	\$56,031	\$66,581	\$63,646	\$57,629	\$57,824	\$55,584	\$59,028
29	\$69,361	\$71,501	\$79,641	\$75,880	\$81,612	\$79,427	\$77,289	\$76,535	\$71,816	\$68,301	\$64,109	\$65,310
30	\$43,013	\$42,644	\$49,914	\$43,096	\$51,791	\$49,600	\$44,158	\$49,570	\$47,195	\$47,176	\$44,143	\$41,021
31	\$59,507	\$54,721	\$66,443	\$65,614	\$73,052	\$67,285	\$64,790	\$76,668	\$73,356	\$76,007	\$79,560	\$78,090
32	\$24,049	\$20,849	\$25,658	\$25,464	\$29,153	\$31,733	\$30,728	\$36,279	\$37,800	\$43,140	\$42,997	\$41,734
33	\$58,956	\$56,305	\$64,440	\$61,952	\$61,070	\$61,415	\$62,784	\$63,141	\$71,154	\$70,082	\$66,771	\$64,115

Average monthly unit sales: \$65,906. The number and percentage of outlets that attained or surpassed the average was 17 or 52%. Median monthly unit sales: \$68,154 (median of all numbers above). The high used in calculating the average was \$114,991, and the low used in calculating the average was \$32,456.

Line Items 17, 18, 20, 30, and 33 in the above chart represent our 5 company-owned locations that were open for the entire 2024 calendar year. Company locations pay royalties and marketing fund fees. Average monthly unit sales: \$63,555, median sales: \$63,515, high: \$87,706 and low: \$46,110.

Notes

1. "Unit sales" means the total dollar amount of all sales generated by an outlet for a given period, including payment for any services or products sold, whether for cash or credit and the value of any services bartered or done on trade. Unit sales do not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in unit sales).
2. The financial performance representations 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 disclosure document, may be one source of this information.

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 for 2024 as a percentage of revenue for 17 units. 12 of these units are franchised and 5 are corporate. These units are those who have shared their food and labor costs via QuickBooks Online and have used Fran Metrics as their bookkeeper. 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 17 total reporting units which were open for all of 2024. For the labor cost calculation, the total cost of labor for the 17 reporting units was divided into the total gross revenues of the 17 units and multiplied by 100. Labor does NOT include owner's pay or other compensation. For the food cost calculation, the total cost of food, packaging, and beverages for the 17 total reporting units was divided into the total gross revenues of the 17 units and multiplied by 100.

Average labor cost: 30.5%; median labor cost: 30.6%; high and low labor costs: 35.4% and 25.3%; average food cost: 29.1%; median food cost: 28.9%; high and low food costs: 32.3% and 25.1%.

For the 12 reporting franchise units, the average labor cost was 30.6%, the median was 30.8%, the high and low labor costs used in calculating the averages were 35.4% and 25.3%. The average food cost was 28.9%, the median was 28.6%, and the high and low food costs used in calculating the average were 32.1% and 25.9%.



For the 5 company-owned units, the average labor cost was 30.1%, median was 29.7%, and the high and low labor costs used in calculating the averages was 33.2%, and 29.2%. The average food cost was 29.5%, the median 31%, and the high and low food costs used in calculating the average was 32.3%, and 25.1%.

The information in this Item 19 was taken from financial statements from our company owned locations and our franchisees. Written substantiation of the data used in preparing this item 19 will be made available to you on reasonable request.

The financial performance representations 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.

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, Idaho 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 2022 to 2024

Outlet Type	Year	Outlets operating at the start of year	Outlets operating at the end of year	Net Change
Franchised	2022	30	32	+2
	2023	32	31	-1
	2024	31	29	-2
Company-Owned	2022	2	4	+2
	2023	4	5	+1
	2024	5	5	+0
Total Outlets	2022	32	36	+4
	2023	36	36	+0
	2024	36	34	-2

(Table No. 2)
Transfers of Operating Outlets from Franchisees to New Owners (other than Us)
For Years 2022 to 2024

State	Year	Number of Transfers
California	2022	1
	2023	2
	2024	0
Idaho	2022	0
	2023	1
	2024	0
Washington	2022	1
	2023	0
	2024	1

State	Year	Number of Transfers
Total	2022	2
	2023	3
	2024	1

(Table No. 3)
Status of Franchised Outlets
For Years 2022 to 2024

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	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	1	1	0	1	2
ID	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
TX	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
UT	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
WA ¹	2022	21	0	0	0	0	0	21
	2023	21	2	2	0	1	0	20
	2024	20	1	0	0	0	0	21
Total	2022	30	2	0	0	0	0	32
	2023	32	2	2	0	1	0	31
	2024	31	2	1	1	0	2	29

¹ We currently have 3 "legacy" franchisees who operate outside of our current franchise system and are not included as part of Item 20 (see Exhibit "C" for locations).

(Table No. 4)
Status of Operating Company Owned Outlets
For Years 2022 to 2024

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	2022	1	0	0	0	0	1
	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
WA	2022	1	2	0	0	0	3
	2023	3	0	1	0	1	3
	2024	3	0	0	0	0	3
Total	2022	2	2	0	0	0	4
	2023	4	1	1	0	1	5
	2024	5	0	0	0	0	5

(Table No. 5)
Projected Openings as of December 31, 2024

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
CA	1	1	0
ID	0	0	1
WA	0	1	0
Total	1	2	1

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

Disclosure of Franchisee Information. If invest in this franchise, your contact information and financial 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, 2024, December 31, 2023, and December 31, 2022.

Item 22 CONTRACTS

We have attached the following contracts: as Exhibit "A," the Franchise Agreement and its Exhibits (including Exhibit "A-9" as the Franchisee Report); 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 Form 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. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by 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



FRANCHISE AGREEMENT

By and Between

WESTSIDE PIZZA INTERNATIONAL INC.

and

(Franchisee)

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



WESTSIDE PIZZA®
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 or have been licensed 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"); 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;

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-sublicensable, personal right to establish and conduct a Franchise Business as a Westside Pizza® 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 listed on Exhibit "A-1" ("Trade Area"). You must operate Your Franchise Business 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 this Agreement, during the term of this Agreement, We will not establish or operate a traditional company-owned outlet or grant to any person or entity a traditional 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"). You will not be granted a protected 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 Trade Area Adjustment. 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 the adjusted portions of Your Trade Area for a fee equal to 50% of Our then-current initial franchise fee (See Exhibit "A-3").

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 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. 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 Your Trade Area; 2) to operate and license others to operate businesses anywhere that do not operate under the Westside Pizza® brand name; and 3) to use the Marks and other marks in connection with the manufacture and sale of products at wholesale and at retail.



1.3.1 Non-Traditional Outlets. We reserve the right to open or sell franchises for outlets located in non-traditional locations within Your Trade Area. These outlets include locations at malls, convention centers, military bases, universities, sporting arenas, airports, transportation facilities, (including rail or bus terminals, toll road plazas and highway rest stops); urban office buildings; convenience stores or service stations; supermarkets; carnivals or street fairs; government facilities; shopping malls; educational facilities; casinos; resort properties; amusement parks or amusement centers; or other similar locations. If You are granted the right to open a non-traditional outlet, You generally will not be awarded a trade area or territory for that non-traditional unit and You may be required to sign a separate Franchise Agreement for that unit.

1.4 Rights to Use Channels of Distribution. 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. We and Our affiliates expressly reserve the right Market in Your Trade Area and elsewhere using Marketing strategies and distribution channels, websites, the Internet, television, radio, Social Media, apps, direct marketing, telemarketing, catalog sales, direct sales, retail location, wholesale locations, and co-branding with other outlets. You may not sell Our products and/or services using such reserved Marketing strategies and distribution channels without Our prior written permission. We do not pay You for soliciting or accepting orders for any products or services We or Our affiliates make inside Your Trade Area.

1.5 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.

1.6 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 deliver within the delivery area, and do 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 and Our Manuals. You may only provide services to customers within Your Trade Area. You cannot operate any other business from the Premises other than the Franchise Business.

1.7 No Automatic Rights for Further Development. Unless You enter into a separate area development agreement, You do not have the contractual right to open additional locations. The decision to grant You the right to open one or more additional locations will be at Our sole discretion. Additionally, to be considered for approval to open an additional franchise location, You must not be in default of this Agreement or any other franchise agreements, and You must achieve a passing A- grade score on all internal and external audits for the operation of Your location(s), including food handling and safety audits within the then-previous six months and have maintained at least a 4-star rating on Our designated review platforms as well as secret shoppers. If You are granted the right to open an additional franchise location, You must sign Our then-current franchise agreement for that location, which may have terms materially different from this Agreement.

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 10 years commencing upon signing this Agreement and extended to end 10 years from the date You commence operations, unless otherwise agreed in writing by Us and unless terminated earlier pursuant to Article XI herein. 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. 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 if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us, a subsidiary, an affiliate, or any other creditor or supplier during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; 6) You are able to maintain possession of Your Premises or are able to secure and develop a suitable alternative Premises approved by Us; and 7) You give Us written notice of Your intent **not** to renew 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 automatic election to enter into a Successor Term Agreement (defined below).

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 (both defined as a "Successor Term Agreement"). The Successor Term Agreement Includes personal guarantees and a general release of all claims against Us (existing at that time) arising from this Agreement, the relationship created herein, and 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. You must sign and return to Us the Successor Term Agreement at least 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have elected not to enter into a Successor Term Agreement. Notwithstanding the requirement 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. **You acknowledge 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. If approved for a Successor Franchise, You shall pay to Us the non-refundable Successor Franchise Fee set forth in Exhibit "A-3," payable in full at the time of execution of the Successor Franchise Agreement

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 Update 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, image, and capabilities of new Westside Pizza® restaurants being opened at the time the Successor Franchise Term takes effect. 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 other key personnel 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 and certifications.

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 Term Agreement, We are no longer offering franchises in the United States, or We are not able by law to offer a Successor Term 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 are not offering franchises in the United States, or We are unable by law to offer a Successor Franchise to You, this Agreement will automatically terminate unless further extended by mutual consent which consent We can withhold for any reason whatsoever.

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.

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) We have the sole rights in and to the Intellectual Property and Confidential Information; 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 Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, 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 Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or 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 Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall 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 shall 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 or System in any manner, or otherwise take any action (or inaction) 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 intercompany 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 must be under Your entity name.

3.3.1 Cooperation. You shall 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 shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

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

3.3.3 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 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.

3.3.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names, abbreviation, acronym, or phonetic or visual variation of the Marks 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.

3.4 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 Copyright Materials except as allowed under this Agreement.

3.5 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest.

3.5.1 Infringement. We are not required to take any affirmative action when We are notified of such uses or claims, and We are not obligated to protect any rights that You have to use the Confidential Information and Intellectual Property, or to protect You against claims of infringement or unfair competition. However, In the event We do undertake the defense or prosecution of any Confidential Information or litigation pertaining to any such Intellectual Property, You must 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 shall not do any act or make any claim which is contrary to or in conflict with Our Confidential Information or Intellectual Property. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademarks.

3.6 Goodwill. All goodwill associated with the Marks and the System belongs exclusively to Us. You acknowledge that valuable goodwill is attached to the Marks and System, and 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. Furthermore, even 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.

3.6.1 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 gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise

have access, 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 do-not-contact laws. 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 calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

3.7 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 as designated by Us, and in the manner required by state law so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and must 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.

3.8 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 Our Confidential Information; 2) disclose such information to Your Personnel 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.

3.9 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a “work-made-for-hire”. If all or part of any Innovation that You create is for any reason deemed not to be a work-made-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 Innovation, and You agree to sign (or have the creator sign) any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive those rights. Any Innovation 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 Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.10 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, social, religious, or other for-profit or non-profit organization, cause, or position; or (ii) act in support of or against any such organization, cause, or position. 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 the activity to be related to or sponsored by the brand or System.

3.11 Consent to Use of Likeness and Your Franchise Business. You agree that We have the right to use the likeness (Including photographs or videos containing images) of You and Your Franchise Business for any purposes relating to Marketing or the System or Marks. You agree that no compensation will be due to You for such use.

ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS AND LEASE

4.1 Location of Premises. You must select a site for Your Premises within the designated search area listed on Exhibit “A-1” (“Search Area”). You understand that the Search Area may not be exclusive to You as We reserve the right to sell franchises or develop an outlet in the Search Area, but We will not sell or develop any units within Your Trade Area once established. You have 60 days to have a site approved 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. Although We must approve Your site, We do not warrant or guarantee the success of the site. 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 site. However, it is Your responsibility, at Your sole cost and expense, to select the site within the Search Area. You must provide Us with the street address of the proposed site and such other information as We request, Including pictures, existing brochures of the proposed site, etc. **We do not prepare demographic studies or otherwise evaluate the need for Our products and services in Your Search Area or Trade Area, nor do We provide You with a site checklist or other similar information.**

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 of this Agreement. We do not assist You in negotiating 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 and approve or disapprove any lease relating to Your Franchise Business prior to execution. If We review Your Lease, at Our discretion, the scope of Our review may be limited to adherence to Our requirements rather than a review of the underlying terms of the Lease. In no way does Our review of the Lease amount to any endorsement or warranty of the Lease. You must also deliver an executed copy of the Lease with the required signed Lease Addendum 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 or if You do not cure a default under the Lease. In such an 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 or an affiliate of Ours. 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. You and Your Landlord may be required to complete and sign an 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 completing de-identification of the Premises and Franchise Business if this Agreement is Terminated for any reason. The Lease Addendum & Conditional Assignment of Lease is attached hereto as Exhibit "A-5." 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.

4.2.2 Assumption of Lease. We will have 30 days from the date of Termination of this Agreement or the Termination of Your Lease, or 60 days from the date You do not cure a default under the Lease, 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 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. We do not assist in the actual construction, remodeling, or decorating of Your Franchise Business. You must commence construction within 90 days from the signing of Your Lease, and construction must be completed within five

months from the date of this Agreement. 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 follow Our interior and exterior design standards and specifications. All changes and modifications to the plans We provide must be approved by Us in writing prior to Your commencing construction. We provide You preliminary layout/design plans for Your Franchise Business. You are also responsible for obtaining any required permits.

4.3.2 Setting Up the Premises. You shall arrange the fixtures, signs, furniture, décor, and other items of the Premises in strict compliance with the format and color schemes recommended by Us and to work with Our approved suppliers providing such items. We must approve Your Premises setup prior to opening, and 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 or any fixtures 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 are approved by Us in writing, whichever comes first.

4.4.1 Conditions to Opening. You shall notify Us in writing between 14 and 21 days before You intend to open the Franchise Business to the public. Before opening, You must satisfy all the following conditions: (1) You are in compliance with this Agreement; (2) You have obtained all applicable governmental permits, licenses, certificates of occupancy, 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, at Our discretion, and You have corrected any defects within 14 days of receiving notice from Us; (5) You have hired sufficient Personnel; (6) the required Personnel have completed all Our required pre-opening trainings and certifications; and (7) We have given Your Our written approval to open, which will not be unreasonably withheld.

4.5 Failure to Meet Deadlines. If You fail to meet a deadline listed in this Article and fail to cure, or if We cannot agree on a site location, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article that will not exceed 12 months from the date of signing this Agreement.

4.6 Relocation of Premises. You are not allowed to relocate Your Premises without Our prior written approval. Approval to relocate will be at Our sole discretion unless Your Lease expires or terminates and You are without fault, or if the Premises are 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. 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 must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Veteran Discount. We will discount the initial fee by \$5,000 for veteran's for the first unit You develop, contingent upon verification of honorable separation. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

5.1.2 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, We will discount the initial fee to the greater of \$20,000 or \$10,000 less than Our then-current initial franchise fee, and We will provide You with \$10,000 towards the purchase of a Revel POS system.

5.1.3 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, at 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 royalty as listed in Exhibit "A-3." The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information, and the System in accordance with this Agreement, and not in exchange for any specific services We render. In the event the state where Your Franchise Business is located determines that We are unable to collect royalties or alcoholic beverages sold at Your Franchise Business. We have the right to modify the royalty rate to recoup these losses.

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 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, but this may change, in Our sole discretion, in the future.

5.3.2 Local Marketing. You must also allocate and spend the amount listed on Exhibit "A-3" each month on local Marketing in Your Trade Area. The total 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 or regional 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 Payments; 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). Our current ACH agreement is attached hereto as Exhibit "A-6" and may be modified by Us at any time at Our sole discretion. You must have an active ACH agreement with Us at all times. Before terminating or canceling any active ACH agreement, You must provide a new ACH agreement to Us so that there is no time in which We do not have the ability to automatically withdraw or debit all payments and Fees due and owing to Us. You shall pay all service charges and fees charged to You by Your bank so that We may electronically debit Your bank account. We reserve the right to change the payment due date or require an alternative payment frequency.

5.4.2 Operating Account. You may not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall 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 or have a \$4,000 line of credit at all times for business emergencies, even after You pay royalties and other fees to Us, provided that in any 30-day period, unless You have the required line of credit, the Operating Account may have less than such amount for a period of not more than five days. You are required to provide Us with view-only access to Your Operating Account.

5.4.3 Late Fees; Insufficient Funds Fee. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate and You will be charged per bounced check or insufficient funds transfer. See Exhibit "A-3." These Fees are due within upon demand to You. The amounts may be adjusted by Us from time to time in the Manuals.

5.4.4 Sales or Use Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees that You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You shall 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	Daily or as otherwise designated by Us	This report is generated on the sales reporting site and must be made available to us at all times. You must submit this report in a form we approve or require. This report must include the gross sales of the immediately preceding day.
Financial Statements	The 20th day of each month	Must be in the format and include the line items as required by us and prepared through the Fran Metrics software or other source as may be required by us.
Local Marketing Report	Quarterly, by the 30 th of each succeeding quarter	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	Annually, within 30 days of submission	

TYPE OF REPORT	DUE DATE	REMARKS
Federal Tax Return	Annually, within 30 days of submission	
IRS Form 941 (Employer's Quarterly Federal Tax Return)	Quarterly, within 30 days of filing due date	
Other Reports	Upon request	Those additional reports that We may from time to time require, including sales and cost data and analysis, advertising budget, expenditures, etc.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agents, 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. You shall provide Us with access to, or copies of, all financial records in the time We require. We are not required to give You advanced written notice of an audit.

5.5.2 Audit of Books and Records. You must keep all financial and tax records for at least six years. If 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 shall immediately pay Us the amount of the deficiency, the appropriate fee for late charges, and You shall 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 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 or fines for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." 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. These fines are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation, are not a penalty or estimate of all damages arising from Your breach, and 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.

5.10 Technology Fee. You must pay Us the Fee listed in Exhibit "A-3" for utilization of Our technology suite. We can designate You to pay all or a portion of this Fee directly to the supplier. We may increase this Fee to account for new or additional technologies and increased costs.

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 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, minimum age restrictions for purchasers and employees who sell alcohol, and local labor regulations, Including minimum age and minimum wage laws. As between Us and You, You are solely responsible for the safety and well-being of Your Personnel and the customers of the Franchise Business.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business.

(ii) Contracting Prohibitions. You cannot contract with any person listed or included on: (i) the United States Department of Health and Human Services ("HHS") Office of Inspector General's ("OIG") List of Excluded Persons/Entities; (ii) the excluded provider list promulgated by the applicable state Medicaid program; or (iii) the General Services Administration ("GSA") List of Parties Excluded from Federal procurement and non-procurement programs.

6.1.2 Appearance; Customer Service. You shall establish and maintain the Premises in a clean, attractive and repaired condition; perform work competently and in a workmanlike matter; give prompt, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices, and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain, and enhance the reputation and goodwill of Our System. You must promptly respond to all complaints received from Your customers or other individuals and to resolve the complaint in a reasonable business manner. If We are contacted by a customer of Your Franchise Business who lodges a complaint, We reserve the right (but are not required) to address the customer's complaint to preserve goodwill and prevent damage to the Marks. Nothing in this Section or in any other provision of this Agreement is to be construed to impose liability upon Us to any third party for any of Your actions or obligations. You must maintain an adequate number of employees at all times to ensure maximum customer satisfaction and consistent service. We reserve the right to require that Your Personnel comply with any dress code, Mark or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture and décor of the Franchise Business in strict compliance with the format recommended or required 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 shall maintain all signs in good condition and 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, if available. You understand and acknowledge that although 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 majority owner, Operating Principal and Your designated managers, including assistant managers, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least 30 days prior to opening 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. We also allow additional persons to attend the initial training for a Fee. (See Exhibit "A-3"). All attendees may continue to retake the initial training without an additional Fee until successful completion has been achieved, but such additional training must immediately follow the initial training without a lapse in time. You must cover the cost of all travel, lodging, meals and all other living costs and expenses and compensation for all of Your attendees.

(i) New Operating Principal or Management Training. Any new Operating Principal, majority owner, or managers must complete the initial training program within 30 days of hire or designating or assuming the position as Operating Principal or majority owner for a Fee paid to Us. See Exhibit "A-3". 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. New managers may be trained by Your Operating Principal, but We can also require Your managers to be trained by Us if We reasonably believe such training would be in the best interest of Your Franchise Business.

(ii) Additional In-Person Training. 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. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, if You do not pass an inspection, or if We reasonably believe such training would be in the best interest of Your Franchise Business. For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training as well as Our fees associated with this training (See Exhibit "A-3").

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

6.1.5 Opening Assistance. We will not send any representatives to provide 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 their full time (at least 40 hours per week), attention and best efforts to the management and operation of Your Franchise Business. Your designated manager is not required to have an equity interest with You. You must have at least one trained manager on site during regular business hours. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.

(i) Unless Your Operating Principal acts 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 work sufficient hours to operate Your Franchise Business or supervise Your managers and employ adequate personnel to operate Your Franchise Business at its maximum capacity and efficiency. Your Operating Principal must be Your principal contact person with Us.

(ii) 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, and all financial components of the Franchise Business; (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 in compliance with Our approved methods.

(iii) 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 that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.8 Operational Hours. You shall operate Your Franchise Business during 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. 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 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. 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 Our then-current initial franchisee fee for additional approved units.

(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. You are required to Update Your Franchise Business and Premises from time to time as We may reasonably direct, but not more often than every five years, and 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 (except for required changes to the Marks, or changes due to health or government mandates, guidelines, or public concerns, which We may require at any time). This can Include structural changes, new flooring, wall treatments, signage, 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, appearance, and capabilities. We may also require You to invest in new or updated equipment and technology at any time. You acknowledge that this obligation is reasonable and necessary to ensure continued public acceptance and patronage to Our brand and to avoid deterioration or obsolescence in connection with the operation of Your Franchise Business. You must complete all such Updates within six-months or other period of time designated in the notice from Us. 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. You shall also complete any day-to-day maintenance issues as they occur. 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 Personnel. You, Your principals, and Your Personnel are not Our employees or independent contractors. You are solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of performance of duties, work rules, safety, working conditions, and training of Your Personnel. We do not assist You in employment related decisions or in creating any policies or terms and conditions related to the management of Your Personnel or their employment. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters that You may choose to adopt or not. You must use Your own discretion on what policies to implement for Your Personnel based on Your own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws and some policies may be outdated or conflict with current existing state or federal employment laws. You must seek Your own legal counsel to determine those policies that are legally compliant with current employment laws in Your state to draft Your own employee handbook. It is Your responsibility to comply with local and federal labor and employment laws. You further agree that in any office, break room, or other non-public area accessed by Your Personnel, You will post a sign or other document containing language We require explaining the differences between You, their employer or contractor, and Us as the Franchisor.

6.1.11 Insurance.

(i) Minimum Limit Requirements. You shall 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.:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$2,000,000 per occurrence and \$4,000,000 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
Assault and battery insurance	\$500,000 sub-limit
Employment Practices Liability Insurance	\$1,000,000
Liquor Legal Liability or “Dram Shop” Insurance	\$2,000,000 per occurrence
Government Required Insurances	All worker’s compensation and employment insurance on your employees as 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. Your insurance is primary and non-contributory. Any insurance obtained by Us is solely for Our benefit and not for the benefit of You or Your Franchise Business. These policies must include a waiver of the insurer’s right of subrogation against Us and provide coverage for Your indemnification obligations under this Agreement. These policies must 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.

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 insurance at Our discretion and You must reimburse Us the premium costs. We may periodically increase the amounts of coverage required and/or require different or additional coverage. We have the right to require that You obtain from Your insurance company, and subsequently provide to Us for Our review, a report of claims made and reserves set against Your insurance (commonly known as “loss runs”). If Your Premises are damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition not later than 160 days from receiving the proceeds.

(iii) Continuation of Policy. Regardless of the amounts We state above, it is Your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, Including any policies that are on a “claims made” basis, which through the purchase of an extended reporting endorsement (i.e., “tail coverage”) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24-month period following the end of the policy period.

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 Systems. At Your expense, You must purchase or lease all required Computer Systems designated by Us in strict accordance with Our specifications, and We can mandate the forms of payment that You can or must accept. If We adopt different Computer System(s) in the future, You must adopt it at Your expense. You must maintain, repair, 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 Computer Systems, and to the information and data contained in them. You are required to obtain a static IP address from Your Internet provider. There is no contractual limitation on Our right to receive information through Your Computer Systems or to the frequency and cost of the obligation to upgrade and maintain them. 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 System (not related to Our or an affiliate’s acts or omissions).

(i) Retention of Records. You must record all sales at the time of the sale in Your Computer 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 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. Any data collected or provided by You, downloaded from Your Computer Systems, or otherwise collected from You by Us or provided to Us, is and will be owned exclusively by Us, and We have the right to use the data in any manner without compensation to You. During the term of this Agreement, You are licensed, without additional compensation, to use such data solely for the purpose of operating Your Franchise Business. This license will automatically and irrevocably expire, without additional notice or action by Us, when this Agreement Terminates.

(ii) Accounting Systems. At all times during the term of this Agreement You shall pay for and use QuickBooks Online. In addition, You are required to use Fran Metrics or other designated software provider to set up Your QuickBooks Online line items, and templates and charts of accounts and to maintain a monthly subscription with Fran Metrics or other designated provider. At all times You are required to follow Our accounting procedures, as

may be provided and updated in Our Manuals. You shall provide Us with independent, view-only access to Your QuickBooks Online or other accounting account. If You fail to timely submit and to maintain financial reports as required by this Agreement, We have the right, in Our sole discretion to require You to use and pay for Our preferred accounting management company for the term of this Agreement.

(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 supplier 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. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, You may be required to attend, and You must pay registration Fees and all travel, lodging, food, and other expenses for each of Your attendees.

6.1.15 Required Software; Technology. You must use and pay for all software and other technology and platforms as required by Us, which may be changed from time to time. You must timely input all required information into Our designated software as set forth in the Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall 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 shall strictly follow Our System, the Manuals, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications, and that You must use as the sole email for all Franchise Business-related communications and accounts. If we provide you with an email account/address, such email account belongs to Us, and We have the right to access Your email account at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts. All Social Media You are permitted to develop or use must be attached only to the email address We provide to You or that is approved by Us.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership, subscription model, or other discount or incentive program, You are required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, fundraising program, gift card program, etc., without Our prior written permission. The method of sales and pooling and reconciling the funds for all such programs will be determined by Us at Our sole discretion as set forth in the Manuals.

(iii) Modifications. We have the right to modify, delete, add to, and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, 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 any 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 that We specify. 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 any or 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. We may conduct inspections without prior notice to You. Our inspections may include Your Premises, vehicles, business records, bank accounts, Venmo (and the like), operating procedures, reports, computer drives, electronic storage devices, Computer System(s), account records, tax records, etc., related to the Franchise Business. We also have the right to speak with and interact with Your Personnel and customers, and to remove samples of products, supplies and materials. 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.

(v) Online Ordering and Delivery. You must participate in any online ordering program for takeout or delivery, whether provided by Us or one or more third parties designated by Us. You shall not participate in any third party delivery platform unless approved by Us in writing. You must use all required software or other equipment required by Us or any such third party necessary to provide the services as designated and as may be updated, supplemented or changed. You shall also provide Us with any login information necessary to access any third-party delivery accounts, and You agree that We will have unrestricted access to review the information in such accounts at any time. Any such software or equipment must be purchased by You at Your cost. You understand and acknowledge that any third party providers may also charge fees or commissions for their services, and You shall pay all such costs or fees.

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right at Our sole discretion (but not the obligation) to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee. See Exhibit "A-3." This Fee reflects the estimated fair market value of Our services. You shall also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.

(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, Personnel, and other contracted personnel. You shall 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 shall add Us or Our representative as a co-signer on certain accounts. You hereby grant Us permission to speak directly with Your landlord, suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall 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 when possible. You

are ultimately responsible for all operating costs during the Interim Management Period. You shall 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 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 Personal Guarantees. Each Owner of Your Franchise Business, respectively, who own 5% or greater interest, and their respective spouses, must each personally sign the Guaranty and Assumption of Obligations attached as Exhibit "A-7" to this Agreement.

6.4 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.

6.5 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 in the day-to-day operation of Your Franchise Business.

6.6 Required Notices. You shall 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 Personnel.

6.7 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, Our products and services, or other franchisees.

6.8 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.

6.9 Monthly Minimum Revenue. Your rights under this Agreement are dependent 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" and "A-3" of this Agreement. If You do not achieve the minimum Gross Sales in Your Trade Area for a period of three consecutive months, We have the right to cancel Your Trade Area's partial protection.

ARTICLE VII FRANCHISOR'S OPERATIONAL ASSISTANCE

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



7.1.1 Suppliers and Products. We shall 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.

7.2 Operations Assistance. For the first 90 days after opening, We will be in contact with You periodically (the frequency determined solely by Us) by telephone to discuss Your operational issues. Thereafter, We shall 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. Other than the initial and opening assistance, We are not required to provide additional training to You. If You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of personnel, and Your payment of a per day per person Fee. You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.3 Initial Training. We shall provide an initial training program for Your Operating Principal and Your designated managers in the various practices, policies, and procedures for operating a 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 at least one of Our representatives, who will provide You with seven days of opening assistance and training during Your opening. For franchisees that open two or more stores, We will provide a minimum of three days for the second and any subsequent stores. You must have also obtained all necessary permits and all Your Computer System and other equipment must be installed and functioning for Us to provide this assistance.

7.4 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials.

7.5 Website Maintenance. We may choose to maintain a website for the Westside Pizza® brand that will include Your business information for Your location.

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; Suppliers. You shall purchase use, provide, carry, and sell only those products, goods and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No goods or services may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval



from Us before such goods and/or services are offered. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.

8.1.2 Authorized Menu. You must only prepare and sell such menu items and other food and beverage products as We designate and approve in writing from time to time (the “Authorized Menu”) at Your Franchise Business. You must offer all items and only those items listed on the Authorized Menu and other authorized products. You must offer the full Authorized Menu during all hours of operation. We have the right to make modifications to these items from time to time, and You agree to comply with any reasonable modifications We make. You must cease selling any previously approved product, service, or menu item within 30 days after receipt of notice that the product, service, or menu item is no longer approved, unless the disapproved product poses a health threat, in which case you must stop using it immediately. You must use in the operation of Your Franchise Business and in the preparation of Authorized Menu items and other food and beverage products only the approved Recipes, and You must prepare and serve Authorized Menu items and products in such portions, sizes, appearance, taste and packaging, all as We specify in the Manuals or otherwise in writing. You acknowledge and agree that We may change these periodically and that You are obligated to conform to these requirements. We may authorize test marketing of proposed Authorized Products or Services at any location We deem appropriate.

8.2 Supplier Compensation. We or Our affiliate may derive revenue from the sale of required items and services through mark-ups in prices charged 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. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any items or services from an unapproved supplier, or if You would like Us to consider alternative goods, 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 or good meets Our specifications. We will notify You in writing and within 30 days of receipt, as to whether that supplier or good 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 or good is approved. A supplier or good that is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier (or good) for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers and/or goods. At Our discretion, We may revoke Our approval of an approved supplier and/or good upon 30 days’ prior written notice.

8.4 Maintenance. You shall maintain all inventory and equipment of Your Franchise Business in good working order. If You fail to replace equipment, inventory, vehicles, signs, furniture, tools, etc., that We reasonably feel is outdated, damaged, in need of repair, obsolete, etc., at Our sole discretion, We may replace those items for You, and You would be required to reimburse Us Our costs, plus \$60 per hour for Our time within 15 days of invoicing.

8.4.1 Delivery Vehicles. You are required to ensure that any and all vehicles utilized for off-site delivery: (i) insured at required levels; (ii) 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 (iii) 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 used in Your Franchise Business.

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: Support. You must look to the respective manufacturers or suppliers for issues related to warranties defective products, training and support 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 shall 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. 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 control in the event of a dispute relative to the contents of the Manuals. You are responsible for frequently checking the Manuals and updates to ensure that You are aware of and compliant with the most up-to-date information and System requirements.

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. 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 Marketing activities 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. We can terminate, suspend, or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds.

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, timing, 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 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 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 groups 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 or proportionate 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. We will not use the Marketing Fund contributions for Marketing that is principally a solicitation for the sale of franchises, but We reserve the right to include a notation in any Marketing or website indicating “franchises available” or similar phrasing. Any unused Marketing funds in any calendar year will be applied to the following years’ fund. You may request (in writing) an unaudited annual report of Marketing expenditures once each year and 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. You are not required to join or contribute to more than one advertising cooperative for the same Franchise Business.

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. No changes may be made to the governing documents without Our prior written approval.

10.2.2 Membership and Voting. Upon the formation of a local or regional Marketing Cooperative, 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 one vote per company or affiliate owned location or franchise unit in good standing in the Marketing cooperative. If We or affiliates have a company or affiliate owned unit restaurant in the cooperative 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 pro rata based on the number of units in the cooperative. Contributions to the Marketing cooperative will be credited toward your local Marketing obligation. You will be required to contribute to the Marketing cooperative in the amounts and frequency as determined by its voting members, but such Fees and costs will not exceed Your local Marketing requirement unless all voting members of the cooperative decide to exceed the limit. We can require that contributions be made at a different frequency.

10.2.4 Audit. We and our designated agents will have the right to examine, copy, and audit, at Our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Marketing cooperative.

10.3 Grand Opening Marketing. Immediately after signing Your Lease, You must pay Us the grand opening Marketing fee (see Exhibit “A-3”) to conduct Your grand opening Marketing. This amount will be applied to Marketing for two months prior to opening and the first month after opening.

10.4 Sample Marketing. We may provide You samples of Marketing materials developed by Us from time to time. Additional copies will be made available at cost, plus 10%, plus shipping and handling.

10.5 Your Obligation to Market. You shall participate in all Marketing programs as directed by Us and use all materials, mediums, and other information made available to You in doing so. Additionally, 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.

10.6 Approval of Marketing. You may develop Marketing 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.

10.6.1 Marketing Compliance. All Your Marketing activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and 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 shall participate in all Marketing, email, texting, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us.

10.7 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 resale or auction style websites, Including eBay, Craigslist, Amazon, 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, Social Media, and Listings Assignment Authorization 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 at Our discretion.

10.8 Your Obligations to Market. Neither We nor You are restricted from Marketing in the Trade Area. You are not permitted to conduct targeted or direct Marketing in another franchisee's trade area or in a trade area or territory of Our affiliate(s).

10.9 Marketing Fund Council. At Our discretion, We may create a Marketing Fund council that provides input for how the Marketing Fund is used. We may appoint franchisees to this council. This council serves only in an advisory capacity and has no operational or decision-making authority. We have the ability to make changes to this council or dissolve it at any time.



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 all defaults within the times 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 and Termination.

No Cure Period:

A. Insolvency; Receivership; Levy or Foreclosure. 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, or a bill in equity or other proceeding for the appointment of a receiver of: (1) You; (2) Your Franchise Business; or (3) another custodian for Your Franchise Business or Operating Assets, is filled or consented to by You, or if a receiver or other custodian (permanent or temporary) of Your Operating Assets or property, or any part of them, is appointed by any court of competent jurisdiction, or the real or personal property of Your Franchise Business is sold after levy by any sheriff, marshal, or constable, or a suit is filed to foreclose a lien or mortgage against any of Your Operating Assets and it is not dismissed within 30 days.

B. 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.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property or Confidential Information other than in connection with the operation of Your Franchise Business and as authorized by Us.

D. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, including deception relating to the source, nature, or quality of goods sold or services provided.

E. Abandonment. You abandon Your Franchise Business, or You state or clearly demonstrate any intent not to operate the Franchise Business.

F. Unauthorized Transfer. You Transfer or attempt to make an unapproved Transfer of 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 sublicense or attempt 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.

G. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records, (including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

H. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony or a crime involving moral turpitude or dishonesty, or You engage in any conduct 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; or You make disparaging remarks against Us, Our management, Personnel, the System, or Our brand to Our other franchisees or in a public forum, including radio, television, newspapers, the Internet, or Social Media.

I. 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 Our Confidential Information or Intellectual Property in violation of this Agreement.

J. Termination of Lease Agreement. Your Lease for the Premises is terminated.

K. Loss of Alcoholic Beverage License. You lose your alcoholic beverage license.

L. Unauthorized Modification. You modify in any degree by adding to or taking from or changing the contents, amounts, or flavor of any Recipe or other food item as well as using any substitute ingredients or procedures in violation of the Manuals or this Agreement.

M. Termination of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your incurable breach of such agreement.

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

48-Hour Cure Period:

O. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety, or You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable government agency.

P. Failure to Obtain or Maintain Insurance. You fail to obtain or maintain all required insurance.

5-Day Cure Period:

Q. Unauthorized Closure or Relocation. Your Franchise Business is closed for a period of three or more consecutive business days or not open for the business hours as required under this Agreement for three or more business 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.

R. Failure to Use or Provide Access to a Designated Account; Failure to Allow an Inspection or Audit. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account; or You refuse to allow Us or Our designated representatives to conduct an inspection or audit, or You refuse to provide access to fully perform an inspection or audit.

7-Day Cure Period:

S. Marks, 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:

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

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

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

20-Day Cure Period:

W. 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 specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

30-Day Cure Period:

X. Owner Deadlock. Your Owners are engaged in a Dispute with one another (deadlock) that materially affects the operation of Your Franchise Business or that We reasonably believe will materially affect the operation of Your Franchise Business if left unresolved.

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 and 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, at 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 allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement. Our pursuit of any one remedy will not be deemed an election or waiver by Us to pursue any other additional remedies:

11.3.1 Our Pre-Termination Options. We have the right to: 1) suspend all services provided to You under this Agreement or otherwise, including training, Marketing assistance, access to Our software platforms and accounts, and the sale of products and supplies; or 2) eliminate listing You in any Marketing materials, including any directory listings, approved or published by Us, and Our principal website or Social Media platforms. We may continue taking these actions until You comply with the requirements of any default notice that We have sent to You, and We acknowledge Your compliance in writing. The options in this Section 11.3.1 will have no effect on and will not release You from any obligation You owe to Us or to Our affiliates.

11.3.2 Actionable Claim. Bring an action or claim against You 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 and bring an action or claim for the balance of any outstanding installment obligation due hereunder.

11.3.3 Injunctive Relief. Bring an action against You 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.

11.3.4 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.

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

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 You 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.

12.1.4 Cease Use. Not hold Yourself out as a Westside Pizza® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property, or Confidential Information 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 or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand. Intellectual Property, and System revert back to Us upon Termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to disassociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) 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, which appointment is coupled with an interest. 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; Communication with Customers. 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. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.

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 materials and all other printed and electronic 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 must alter, modify and change both the exterior and interior appearance of the Premises to Our satisfaction, so that it will be easily distinguished from 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 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data of the Franchise Business.

12.1.11 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.

12.1.12 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.

12.1.13 Pay Damages and Costs. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations, We may hire a third party or use Our own personnel to de-identify Your Premises and/or to carry out any other post-termination obligations on Your behalf, for which costs You will be responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. Your reimbursement of Our costs will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete. In the event You fail to modify Your Premises or otherwise fail to comply with Your post-termination obligations, You will be charged \$200 per day or \$6,000, whichever is more, and We may hire a third party or use Our own Personnel to de-identify Your unit and/or to carry out any other obligations on Your behalf.

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 will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property or goodwill of the Franchise Business.

12.3 Survival of Provisions. All provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our Brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You shall make the Premises and Computer Systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (see Paragraph 13.1.1(i) below) 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 Liquidated Damages. If this Agreement is Terminated, other than for an approved Transfer, 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. 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% compounded annually. This amount is payable within 10 days of Termination.

12.6.1 Additional Equitable Remedies. The amounts contemplated under Section 12.6 does 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, other damages set forth herein, 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 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 between us, 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. We have the right to offset 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 also 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 Personnel 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. For any inventory or other items sold or consumed by Us during the Option Period, We will reimburse You the actual price You paid for such items. 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 We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall 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 Section 4.2 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.

ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. You acknowledge that We maintain a staff to manage and operate the System and that staff members can change as Our owners, directors, officers, and Personnel come and go. You represent that You have not signed this Agreement in reliance on any shareholder, director, officer, or Personnel remaining with Us in that capacity. 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, and We will no longer have any performance or other obligations under this Agreement. We may be sold, or We may sell any part of or all Our Confidential Information and/or 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, 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 shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing. However, We will not re-brand any such businesses that are located

inside Your Trade Area by allowing them to use the Marks

14.2 No Assignment by You Without Our 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, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained and consummated by signing a consent agreement as approved by Us. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. 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. 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, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of the new Operating Principal, 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, Including providing a proposed transferee with corrected information or information in addition to what You have provided. 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. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein, You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. To offset some of Our costs associated with the Transfer, You shall pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), You must pay the applicable minority interest transfer fee (see Exhibit "A-3"), and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. 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. Additionally, any new Operating Principal and other applicable Personnel are required to complete the necessary training as required by Us. Any new owner, along with their spouse with direct or indirect ownership of 5% or more in Your Franchise Business or Your entity is required to sign Our then-current form of the Guaranty and Assumption of Obligations attached as Exhibit "A-7" hereto. Furthermore, all applicable provisions of Section 14.8 below apply to minority interest Transfers as well.

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 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 any part of the Franchise Assets, 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 any part of Your Franchise Assets 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, and You must comply with Our policies related to a Transfer as set forth in the Manuals. 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 Franchisee Application; Written Proposal. The transferee must complete and submit all application documents required by Us from prospective franchisees at the time of Transfer and be approved in writing by Us. 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, negatively impact the future viability of the Franchise Business. If any part of the sale price is financed, You must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Fees owing to Us and Our affiliates pursuant to this Agreement.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, including assuming Your Lease obligations, if applicable, in a form acceptable to Us, and the transferee(s) must provide personal guarantees approved by Us. See Section 6.3 above.

14.8.4 New Franchise Agreement; Updates; Consent. At Our discretion, the transferee must sign the then-current form of the Franchise Agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement, or for minority interest transfers, You and We must amend this Agreement and its exhibits as necessary to reflect the change in ownership. You must also fully Update the Franchise Business and Premises to the level required of new franchisees. Additionally, You shall sign the appropriate paperwork to consummate Our consent to the Transfer.

14.8.5 Training. Unless We have previously trained the transferee, the transferee must pay for and complete the training or certification 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, 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" or reimburse Our legal fees for minority interest Transfers as set forth in Section 14.6 above.

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

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

14.8.9 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, 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 Franchise 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 Franchise 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 concerning Your Franchise Business, financials, Personnel information, lease information, etc., We will have 30 days to advise You in writing of Our election to have the Franchise

Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, We or Our designee may provide promissory notes with the same terms as those offered by the proposed transferee). Should We elect to purchase the Franchise 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 Franchise 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. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing and We will have an additional 10 days to elect to purchase the Franchise 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 Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (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; for no more than 180 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, or 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 death, or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, including assuming Your Lease obligations, if applicable, in a form acceptable to Us. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all 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 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 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 to verify ownership and control of the entity; and (3) own all equity and voting securities of the

corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement. Any owner with a direct or indirect ownership of 5% or more in Your entity must personally guarantee the obligations of this Agreement. There is no Fee for this kind of Transfer, but You must reimburse Our legal fees to complete the Transfer in the amount of which is due upon Our demand of the incurred expenses.

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, damages, losses, 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 Personnel, 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 Personnel will be deemed to be Our Personnel and each Personnel 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 shall 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 Personnel, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We 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. You are not required to indemnify Us for liability caused by Our willful misconduct, gross negligence, strict liability, or fraud. 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, You, Your Principals, and Your Immediate Family shall not directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, trade area, territory, or location, except with Our prior written consent. Your Principals must each 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 shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to Our Intellectual Property, or 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 Personnel, 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 such Confidential Information obtained or received 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 shall not make any public announcement, issue any press release, publicize, 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, advisors, and government authorities.

16.3 Post-Term Covenants. Upon Termination of this Agreement, and for a continuous, uninterrupted period of two years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity within Your Trade Area or within 20 miles of Your Trade Area or within 15 miles of the territory or trade area of any Westside Pizza® business operation at the time of Termination of this Agreement.

16.3.1 Non-Solicitation of Customers. During the term of this Agreement or Successor Franchise and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor (with whom the You had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way to gather information on that customer but who has not yet done business to be considered an actual customer.

16.4 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

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. 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 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.

16.7 Breach of Non-Competition. If You violate Your in-term or post-Termination non-competition covenants, Our remedies include: recovery of the greater of (a) all profits earned by You in the operation of such Competing Business; or (b) all amounts which would have been due to Us if such Competing Business were a Franchise Business during the period of competition.

16.8 Immediate Family. You acknowledge and agree that the restrictions on Your Immediate Family is necessary because Your disclosing Our Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement, and You also acknowledge that it would be difficult for Us to prove whether You disclosed Our Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business. You agree to make Your Immediate Family aware of the non-compete, non-solicitation and confidentiality in 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. Mediation will not defer or suspend Our exercise of any right, including termination rights under Article XI. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and may not be offered or admissible in any other proceeding or legal action whatsoever. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this Agreement, and the Dispute may proceed directly to arbitration without mediation.

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. Any procedural or evidentiary issues that are not covered by the federal arbitration act or this Agreement, will be supplemented by the federal rules of civil procedures and evidence, limited to the arbitration restrictions and procedures. 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. You thereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, 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 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 except for breach of Intellectual Property covenants set forth in Article III herein. Notwithstanding the above, nothing shall be construed to limit Our ability to collect liquidated damages.

(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 that requests the appeal must pay all costs and fees of the arbitrators and arbitration proceedings, subject to reimbursement as set forth below.

(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 cost of the mediation or arbitration, that party will be in default of this Agreement, and the non-defaulting party will have the following options: 1) to proceed directly to arbitration without mediation or proceed to litigation if the failure is to pay arbitration fees; or 2) to cover the costs of the mediator or arbitrator. Nonetheless, 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: FRANCHISE@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 K. Martin 222 S. Main Street, Ste 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	 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 and subject matter 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.

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 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 on behalf of the franchisee, 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 shall not 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, government shutdown or mandate, or other similar causes 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. If any term of this Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

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. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

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 all the Owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting; Rules of Construction. 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 its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

ARTICLE XXI DEFINITIONS

“Competing Business” means a pizza restaurant or pizzeria business, or a business offering food and beverage products or services the same as or substantially similar to those offered at Your Franchise Business or the System at the time of Termination. It also includes a business that enters into similar or substantially similar agreements with vendors, clients, or potential clients and vendors We would target and enter into agreements with. This is in addition to a business that is affiliated with clients or vendor based that would be known to compete for the same type of market share as a Westside Pizza® business.

“Computer Systems” means information processing and communications systems, computers, mobile smart devices, smart processors in hardware, point of sale (“POS”) 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.

“Confidential Information” means any non-public information (through no fault of Yours) relating to Our products or services, or operation of a Westside Pizza® business, the System, or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Westside Pizza® businesses; (v) knowledge of, specifications for, and suppliers of, certain Westside Pizza® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Westside Pizza® businesses; (vii) strategic plans and concepts for the development, operation, or expansion of Westside Pizza® businesses; (viii) the contents of the Manuals; (ix) all Customer Data; (x) login, passwords, access information, etc., to email accounts, Social Media, Manuals or other internal sites or shared documents (xi) Intellectual Property that is generally deemed confidential; (xii) all Innovations; (xii) Recipes; and (xiv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

“Copyright Materials” means even if it is not federally registered, writings, manuals, designs, blueprints, schematics, drawings, artwork, Marketing materials, agreements, contracts, scripts, pamphlets, instructions, books, literary works, documents, photographs, images, audio, music and jingles affiliated with the brand, videos, recordings, Social Media posts, software, websites and website data, apps, or any other work We, You, other franchisees, or Our affiliates make that is in a fixed tangible medium as part of the Westside Pizza® franchise system and authorized for use under the System.

“Customer” and “Client” whether or not capitalized have interchangeable meanings in this Agreement.

“Customer Data” means any and all customers and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers’ information, etc., even if maintained by You or deemed to have arisen through Your activities as well as payment activity, demographic information, product and services purchases and use, and their frequency as well as

any feedback and reviews and any other information You or We may collect on such customers through Our System and processes either electronically or on paper or other means that You are legally allowed to collect and share with Us under state or federal law and under this Agreement. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

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

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

“Franchise Assets” means this Agreement, or any rights or privileges associated with this Agreement, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all Your assets.

“Gross Sales” Includes the total of all sales of all goods and 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 also Includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. “Gross Sales” excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

“Immediate Family” means spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law, and any person (other than a tenant, or employee) sharing the Franchise Business.

“Innovation” means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyright 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 ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

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

“Intellectual Property” means all Marks, trade dress, names, Copyright Materials, systems, patents, patent applications, and trade secrets.

“Interim Management Period” refers to the period of time during which We step in to manage Your Franchise Business as 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, brand standards manual, training manuals, Recipe manuals, and/or policies and procedures manual, technical bulletins, online drives or

portals, 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, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research and other related processes.

“Marks” means the federally registered and common law names, trade names, trademarks, slogans, catchphrases, service marks, colors, font schemes, logos and/or other commercial property or symbols owned or licensed by Us, whether now or later developed, used in connection with the System.

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

“Operating Assets” means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

“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.

“Owner” means shareholder, member, partner, general partner, limited partner, and the like.

“Participant” means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee (management-level or higher), contractor, advisor, officer, lessor, lessee, licensor, or licensee.

“Personnel” means any individual or entity engaged by the Franchisee to perform work or services in connection with the Franchised Business, including employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, and volunteers, whether compensated or uncompensated.

“Prepaid Services” means gift cards, gift certificates, event deposits, prepaid services, etc., sold at or through Your Franchise Business for which We allow You to manage the accounting and pooling on such gift cards, gift certificates, prepaid services, etc.

“Principal” means Owners, directors, members, managers, officers, and principal employees and contractors.

“Recipes” means Our recipes, kitchen books, ingredients, flavors, combinations, compositions, mixes, batters, syrups, spices, sauces, fillings, toppings, dressings, temperatures, cook temperatures, cook or mix times, measurements, portions, sizes, food appearance, plating, tastes, menus, 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, mandatory, 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.

“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, business formats, 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.

"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 You are no longer a franchisee of the Westside Pizza® System.

"Transfer" Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

"Update" Includes renovations, remodeling, redecorating, redesigning, refixturing, upgrading, refurbishing, modernizing, etc.

"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, 6.6, 11.1, and Articles XI, XV, Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, Owners, managers, Personnel, 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 Owners, Operating Principals, managers, directors, officers, agents, affiliates, principal Personnel and with those whose conduct You are chargeable.

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

FRANCHISOR:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
(Signature)

Name: Rodney Nelson
Title: President

FRANCHISEE:

By: _____
(Signature)

Name: _____
Title: _____

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

By: _____
(Signature)

Name: _____, personally

By: _____
(Signature)

Name: _____, personally



EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

SEARCH AREA AND TRADE AREA:
(Map may be attached)

1. Your Search Area in which to select Your Premises is as follows:

2. Your approved Premises is to be located at (may be filled in later if the approved Premises is not known at the time of signing the Franchise Agreement and will be considered part of the Franchise Agreement as if included at the time of signing):

3. Your Trade Area is ____ miles from Your approved Premises location in all directions.

**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 monthly sales of at least \$12,000 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: _____

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 the information 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.

The names of the officers of the Company (please print or type the information and add extra lines if necessary):

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 within one week of the date below. Your entity documents must state that Your entity will be used solely for the purpose of operating the Franchise Business.

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
Initial Franchise Fee	\$30,000	See Section 5.1
Initial Franchise Fee for Additional Approved Units	The greater of \$20,000 or \$10,000 less than Our then-current initial franchise fee	See Paragraph 5.1.3
Royalty	4% of Gross Sales	See Section 5.2
Marketing Fund Fee	Up to 2% of Gross Sales, currently 1%, but not less than \$1,000 per month	See Paragraph 5.3.1 and Section 10.1
Trade Area Adjustment Fee	50% of the then-current initial franchise fee	See Paragraph 1.1.2 and Paragraph 6.1.8(i)
Successor Franchise Fee	\$7,500	See Paragraph 2.2.4
Relocation Fee	\$7,500	See Section 4.6
License Line Fee	Our then-current initial franchise fee	See Paragraph 5.1.3
Local Marketing Requirement	Lesser of 1% of Gross Sales or \$1,000 per month	See Paragraph 5.3.2
Advertising Cooperative	Up to 1% of Gross Sales	See Paragraphs 5.3.3 and 10.2.3
Late Fees	\$50 per day, per report, up to a maximum of \$500 per fee per month, plus 1% of Gross Sales for the most recent full month	See Paragraph 5.4.3
Interest on Late Payments and Reports	18% or state maximum rate permitted by law, whichever is less	See Paragraph 5.4.3
Non-Sufficient Fund Fees	\$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
Technology Fee	Currently \$0; up to \$400 per month	See Section 5.10
Additional Trainees at Initial Training	\$60 per person per hour	See Paragraph 6.1.4 and Section 7.3
New Operating Principal or Management 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) and Section 7.2
Delivery Territory Right of First Refusal Fee	Our then-current initial franchise fee for additional franchise units purchased during the term	See Paragraph 6.1.8(i)
Insurance Reimbursement Fee	Varies	See Paragraph 6.1.11
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.13(iv)

Conference and Seminar Fee	Currently \$0, but can be charged up to \$200 per month	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 Section 14.10
Monthly Minimum Revenue	\$12,000	See Section 6.9
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
Replacement Costs	Our costs, plus \$60 per hour for our time	See Section 8.4
Grand Opening Marketing	\$10,000	See Paragraph 10.3.1
Additional Copies of Marketing Materials	Our costs, plus 10%, and the costs for shipping and handling	See Section 10.4
Fees on Default	Our costs associated with Your default	See Paragraph 11.3.2
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 12.5
Franchise Agreement Transfer Fee	\$10,000 to new franchisees outside the Westside Pizza system \$5,000 to franchisees inside the Westside Pizza system	See Section 14.5
Minority Interest Transfer Fee	\$1,000	See Section 14.6
Indemnification	Varies	See Section 15.2
Dispute Resolution Fees	Varies	See Section 17.2

¹ If a fee is subject to change by Us rather than by a third party, the increase will not be more than the equivalent of 5% per year during the term of this Agreement. Costs or fees charged by third parties are subject to change at any time and do not have an annual cap. Fees that are not subject to increase during the term of this Agreement are: the royalty, marketing fund fee, successor franchise fee, and transfer fees.



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 (individually and collectively, the "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® Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor ("Franchise Agreement"); and

WHEREAS, Franchisor has developed Confidential Information, which Confidential Information Includes 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, 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 their 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 access to Confidential Information and made available to Principals that is 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 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. Principals shall also make its Immediate Family aware of this Agreement as well as the non-compete, non-solicitation and confidentiality provisions in the Franchise Agreement. Principals shall also adopt and implement all procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, Including restrictions on disclosure to Personnel and other third parties.

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 personnel 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 Personnel Use of Recipes. Each Personnel authorized to use the Recipes in the operation of the Franchise will be required to sign a confidentiality agreement prior to use of the Recipes. Furthermore, Principals represent and warrant that they shall only authorize Personnel over the age of 18 to use or have access to the Recipes. A copy of all such signed agreements will be promptly (within 10 days) provided to Franchisor.

2.3 No Reverse Engineering. Principals shall 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 shall not allow, encourage or permit any partner, owner, director, member, manager, agent, Personnel or other person to do so. For purposes of this Agreement, reverse engineering as it relates to the Recipes, Includes 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 shall limit their use of the Confidential Information, Including, their recollection of any part of the Confidential Information, 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 Confidential Information 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 thereof, except as permitted under the Franchise Agreement, each Principal agrees that Principal and any Principal's Immediate Family shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business, in any capacity or location except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions or Successor Franchise Agreements thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of two years thereafter, Principals, and Principals' Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity within the Trade Area or within 20 miles of the Trade Area or within 15 miles of the territory or trade area of any System franchise or Westside Pizza® business operation at the time of such Termination or Transfer. 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.

3.3 Non-Solicitation of Customers. Principals and each of Principal's Immediate Family shall not, during the term of the Franchise Agreement and any extensions or Successor Franchise and for three years thereafter, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal's violation.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall 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. Non-Disparagement. Principals shall not, during and after the term of this Agreement, make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Franchisor, Franchisor's officers, owners, partners, directors, members, managers, representatives, agents or Personnel, the brand, the System, Franchisor's products and services, or other franchisees.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 6 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 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. 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.

8. 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. Principals acknowledge and agree that the restrictions related to Immediate Family is necessary because a Principal's disclosing the Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement and that it would be difficult for Franchisor to prove whether a Principal disclosed Our Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business.

9. 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.

10. 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.

11. Binding Agreement. This Agreement will bind each parties' respective heirs, personal representatives, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of

this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

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

14. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, e.g., spaces that are not in a bathroom, changing room, etc.

15. 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.

16. Prior Disclosures. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement as if such information had been disclosed following the execution of this Agreement.

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: Rodney Nelson
Title: President

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. Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor an opportunity, but not the obligation, to cure said breach for an additional 10 days beyond the applicable cure period granted to the Lessee under the Lease Agreement.



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: _____

By: _____

Its: _____

Its: _____



EXHIBIT "A-6"
TO THE 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 or savings account as indicated below at the depository financial institution named below, hereinafter called ("Depository"), and to debit the same to such account on a recurring basis, commencing as of the date below, and continuing for the term of my franchise agreement with the Company. 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: _____

Phone: _____

Routing Number: _____ Account Number: _____

Type of Account: Checking/Savings: _____

I agree to provide accurate banking information and authorize the Company to verify account ownership through a test deposit or other verification methods as required by NACHA rules.

I understand that this authorization will remain in full force and effect through the term of my franchise agreement until I notify the Company in writing that I wish to revoke this authorization. I understand that the Company requires at least 15 days' written notice prior to the proposed effective date of termination to cancel this authorization. Notice shall be provided to the Company at both franchise@westsidepizza.com and 8515 W. Overland Road, Boise, ID 83709.

I consent to the use of electronic records and signatures for the purposes of entering into and executing this agreement and any related transactions.

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 THE 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)") who are the owners of _____ (the "Business Entity") and their respective 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 that no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Us and the Business Entity thereunder will affect the enforcement or validity of this Guaranty. Each Guarantor agrees that upon the death of a Guarantor, the estate of such Guarantor will be bound by the obligations 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 between Us and another Guarantor, or any other 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.

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

Spouse Signature

**Contact Information for Notice
Guarantor's Address:**

By: _____
Name: _____
Email: _____

By: _____
Name: _____
Email: _____

Spouse's Address (if different):

By: _____
Name: _____
Email: _____

By: _____
Name: _____
Email: _____

Spouse's Address (if different):

By: _____
Name: _____
Email: _____

By: _____
Name: _____
Email: _____

Spouse's Address (if different):



EXHIBIT "A-8"
TO THE FRANCHISE AGREEMENT

BUSINESS DIRECTORY, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION

This BUSINESS DIRECTORY, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION ("Assignment") is made and entered into as of the Effective Date (listed on the signature page below), by and between the undersigned Franchisee and Westside Pizza International Inc. ("Franchisor").

RECITALS

WHEREAS, Franchisee has entered into a Westside Pizza® Franchise Agreement with Franchisor of even date herewith ("Franchise Agreement"); and

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

WHEREAS, all capitalized terms used, but not defined, herein will have their 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 Social Media 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 hereby assigns and transfers (or in Franchisor's sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL's, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (individually a "Listing" and collectively the "Listings").
3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts, Listings, and Business Directory Accounts:
 - a. Franchisee has the right to assign the Business Directory Accounts, Social Media Accounts, and Listings 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, Social Media Accounts, and Listings.
 - c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Business Directory Accounts, Social Media Accounts, and/or Listings.
 - d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Business Directory Accounts, Social Media Accounts and/or Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.



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

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

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

8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Idaho without giving effect to its conflicts of law provisions.

9. 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.

IN WITNESS WHEREOF, the parties have respectively signed this Assignment effective as of the Effective Date written below.

Dated effective as of _____.

FRANCHISEE:

By: _____
(Signature)

Name: _____
Title: _____

FRANCHISOR:

Westside Pizza International Inc.

By: _____
(Signature)

Name: Rodney Nelson
Title: President



EXHIBIT "A-9"
TO THE FRANCHISE AGREEMENT

FRANCHISEE REPORT

We will not ask You to complete the Franchise Report, and We will disregard any answers from You, if You live or plan to operate Your Franchise Business in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin. Washington Franchisees cannot complete, fill out, or sign this Franchisee Report.

Please review each of the following questions carefully and provide honest responses to each question.

1. If You have received any oral, written, visual or other claim, guarantee or representation of any sort by Us which stated or suggested any specific level or range of actual or potential sales, income, expenses, profits, cash flow, by any person or entity, except for information (if any) expressly set forth in Item 19 of the Franchisor's disclosure document (or an exhibit referred to therein), please describe what You received and if known, from whom You received the information. If none, please write "none."

2. If You have received any information or representations inconsistent with the statements in the FDD or Franchise Agreement, please list those below. If none, please write "none."

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____



EXHIBIT "A-10"
TO THE FRANCHISE AGREEMENT
STATE SPECIFIC ADDENDA



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. 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.
2. 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.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, 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.
6. The franchise agreement requires application of the laws if Utah, 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.
7. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Investment law and the California Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
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. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
10. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.



- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

11. Franchisees owning 5% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

12. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."

13. Paragraph 4.1 is amended to remove the following language, "Although We must approve of Your site, We do not warrant or guarantee the success of the site."

14. Paragraph 20.10 is amended to remove the following language, "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."

15. Paragraphs 20.14 and 20.18 are not enforceable in the state of California.

16. Mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

17. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

FRANCHISOR:
WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
Name: Rodney Nelson
Title: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____
Title: _____



EXHIBIT B
TO THE FDD
FINANCIAL STATEMENTS

December 31, 2024
December 31, 2023
December 31, 2022





WESTSIDE PIZZA INTERNATIONAL INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024, 2023, AND 2022



WESTSIDE PIZZA INTERNATIONAL INC.

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Independent Auditor's Report

To the Stockholders
Westside Pizza International Inc.
Boise, ID

Opinion

We have audited the accompanying financial statements of Westside Pizza International Inc., which comprise the balance sheets as of December 31, 2024, 2023 and 2022, and the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar & Dunlay

St. George, Utah
March 5, 2025

WESTSIDE PIZZA INTERNATIONAL INC.

BALANCE SHEETS

As of December 31, 2024, 2023 and 2022

	2024	2023	2022
Assets			
Current assets			
Cash and cash equivalents	\$ 374,110	\$ 131,802	\$ 95,134
Accounts receivable	34,452	52,806	62,107
Note receivable, current	8,333	8,333	-
Operating lease right-of-use asset	26,390	63,350	97,433
Total current assets	443,285	256,291	254,674
Deferred contract costs, non-current	6,250	6,250	-
Property and equipment, net	10,463	17,277	19,106
Note receivable, non-current	8,333	16,667	-
Total assets	<u>\$ 468,331</u>	<u>\$ 296,485</u>	<u>\$ 273,780</u>
Liabilities and Stockholders' Equity (Deficit)			
Current liabilities			
Accrued expenses	\$ 22,989	\$ -	\$ -
Gift card liability	63,703	53,771	46,211
Credit cards payable	10,653	12,588	6,673
Deferred revenue, current	12,500	12,500	50,000
Operating lease liability, current	31,317	43,422	39,171
Total current liabilities	141,162	122,281	142,055
Deferred revenue, non-current	262,500	250,000	212,500
Operating lease liability, non-current	-	31,317	74,739
Total liabilities	403,662	403,598	429,294
Stockholders' equity (deficit)			
Capital stock, \$1 par value; 1,000 shares authorized; 1,000 shares issued and outstanding as of 2024, 2023 and 2022	1,000	1,000	1,000
Additional paid-in capital	19,332	19,332	19,332
Accumulated equity (deficit)	44,337	(127,445)	(175,846)
Stockholders' equity (deficit)	64,669	(107,113)	(155,514)
Total liabilities and stockholders' equity (deficit)	<u>\$ 468,331</u>	<u>\$ 296,485</u>	<u>\$ 273,780</u>

The accompanying notes are an integral part of these financial statements

WESTSIDE PIZZA INTERNATIONAL INC.

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenue			
Royalty fees	\$ 943,163	\$ 967,048	\$ 995,573
Rebates	419,959	407,532	410,197
Marketing fees	248,429	238,543	238,696
Sponsorships	19,500	-	-
Franchise fees	17,500	50,000	45,000
Transfer fees	-	13,500	13,500
Total operating revenue	<u>1,648,551</u>	<u>1,676,623</u>	<u>1,702,966</u>
Operating expenses			
Salaries and wages	390,689	341,004	343,791
Advertising expenses	286,727	260,286	282,970
General and administrative	268,511	234,345	236,300
Professional fees	134,368	174,710	114,150
Management fees	69,500	190,500	204,000
Total operating expenses	<u>1,149,795</u>	<u>1,200,845</u>	<u>1,181,211</u>
Operating income	498,756	475,778	521,755
Other income			
ERC income	-	-	125,001
Total other income	<u>-</u>	<u>-</u>	<u>125,001</u>
Net income	<u>\$ 498,756</u>	<u>\$ 475,778</u>	<u>\$ 646,756</u>

The accompanying notes are an integral part of these financial statements

WESTSIDE PIZZA INTERNATIONAL INC.
STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Years Ended December 31, 2024, 2023 and 2022

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Equity (Deficit)</u>	<u>Total</u>
Balance at December 31, 2021	\$ 1,000	\$ 19,332	\$ (172,668)	\$ (152,336)
Adoption of ASC 842	-	-	(20,220)	(20,220)
Distributions	-	-	(629,714)	(629,714)
Net income	-	-	646,756	646,756
Balance at December 31, 2022	<u>1,000</u>	<u>19,332</u>	<u>(175,846)</u>	<u>(155,514)</u>
Contributions	-	-	75,000	75,000
Distributions	-	-	(502,377)	(502,377)
Net income	-	-	475,778	475,778
Balance at December 31, 2023	<u>1,000</u>	<u>19,332</u>	<u>(127,445)</u>	<u>(107,113)</u>
Contributions	-	-	316,125	316,125
Distributions	-	-	(643,099)	(643,099)
Net income	-	-	498,756	498,756
Balance at December 31, 2024	<u><u>\$ 1,000</u></u>	<u><u>\$ 19,332</u></u>	<u><u>\$ 44,337</u></u>	<u><u>\$ 64,669</u></u>

The accompanying notes are an integral part of these financial statements

WESTSIDE PIZZA INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:			
Net income	\$ 498,756	\$ 475,778	\$ 646,756
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	6,814	6,788	6,076
Amortization of ROU asset	36,960	34,083	31,492
Change in operating assets and liabilities:			
Accounts receivable	18,355	9,301	(21,276)
Operating lease liability	(43,422)	(39,171)	(35,235)
Deferred contract costs	-	(6,250)	-
Other current assets	-	-	5,702
Accrued expenses	22,989	-	-
Gift card liability	9,932	7,560	2,001
Credit cards payable	(1,935)	5,915	(19,202)
Deferred revenue	12,500	-	(32,500)
Net cash provided by operating activities	<u>560,949</u>	<u>494,004</u>	<u>583,814</u>
Cash flows from investing activities:			
Purchases of property and equipment, net	-	(4,959)	-
Net cash used in investing activities	<u>-</u>	<u>(4,959)</u>	<u>-</u>
Cash flows from financing activities:			
Contributions	316,125	75,000	-
Distributions	(643,099)	(502,377)	(629,714)
Note receivable, net	8,333	(25,000)	-
Net cash used in financing activities	<u>(318,641)</u>	<u>(452,377)</u>	<u>(629,714)</u>
Net change in cash and cash equivalents	242,308	36,668	(45,900)
Cash and cash equivalents at beginning of period	131,802	95,134	141,034
Cash and cash equivalents at end of period	<u>\$ 374,110</u>	<u>\$ 131,802</u>	<u>\$ 95,134</u>
Supplemental disclosures of cash flow			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024, 2023, and 2022

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Westside Pizza International Inc. (the “Company”) (an “S” Corp) was formed on December 15, 2011 in the state of Washington. In August 2015, the Company moved and was registered in Idaho. The Company sells franchises that prepares, bakes, and serves delicious hand-crafted pizzas, pastas, and more.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items in prior years have been reclassified to conform to the current year’s presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, 2023, and 2022, the Company had \$374,110, \$131,802, and \$95,134, respectively. As of December 31, 2024, 2023, and 2022, \$23,746, \$20,895, and \$25,164, respectively, was set aside by the Company for satisfaction of the gift card liability.

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalties and other sales transactions. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024, 2023, and 2022

When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses (“CECL”) model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2024, 2023, and 2022, the Company had no allowance for uncollectible accounts. As of December 31, 2024, 2023, and 2022, the Company had accounts receivable of \$34,452, \$52,806, and \$62,107, respectively.

(g) Note Receivable

As of December 31, 2024 and 2023, the Company held a promissory note receivable with a total carrying amount of \$16,666 and \$25,000, respectively. This promissory note represents an amount due from a third party arising from a buyout agreement. The note will be paid back in yearly installments totaling \$8,333 and is noninterest bearing. The note matures in October 2026.

(h) Property and Equipment

Property and equipment are stated at historical cost. Depreciation is provided utilizing the straight-line method over estimated useful lives of 5 years.

(i) Long-Lived Assets

Long-lived assets will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Any impairment loss will be measured by the difference between the fair value of an asset and its carrying amount, and will be recognized in the period that the recognition criteria are first applied and met.

(j) Gift Card Liability

The Company processes gift card purchases for all locations and recognizes a gift card liability in the amount of the unredeemed gift cards as of year-end. The Company then reimburses each location when the gift cards are redeemed.

(k) Revenue Recognition

Upon inception, the Company adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company’s performance obligations.

The Company’s revenues consist of initial franchise fees, royalties and marketing fees based on a percentage of gross revenues, rebates, and sponsorships.

Royalties and marketing fees

Upon evaluation of the five-step process, the Company has determined that royalties and marketing fees are to be recognized in the same period as the underlying sales.

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024, 2023, and 2022

Sponsorship revenue

The Company generates revenue upon the occurrence of the annual conference. Revenue is recognized at the time of the conference.

Rebate revenue

The Company receives rebates from various suppliers involved in supplying the franchise system. Rebate income is recognized when the Company has met the performance criteria set forth in the rebate agreements, which is generally when the underlying products have been purchased and provisioned.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt.

These pre-opening services include the following services (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the standalone selling price of its pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to those pre-opening services. The franchise fees are then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

(l) Income Taxes

The Company has elected to be treated as Subchapter S Corporation under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholder and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements. The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed.

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024, 2023, and 2022

As of December 31, 2024, the following tax years are subject to examination:

<u>Jurisdiction</u>	<u>Open Years for Filed Returns</u>	<u>Return Filed in 2024</u>
Federal	2021 – 2023	2023
Idaho	2021 – 2023	2023

(m) Leases

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”, with several subsequent amendments, which requires lessees to recognize the assets and liabilities that arise from operating and finance leases on the balance sheets, with a few exceptions. ASC 842 replaced the existing lease guidance in U.S. GAAP. The Company adopted the new standard as of January 1, 2022, the first day of the Company’s fiscal year using a modified retrospective transaction approach. Under the approach, the Company adjusted assets and liabilities as of January 1, 2022 with a cumulative effect adjustment and did not retrospectively recast prior periods presented. In addition, the Company elected the package of practical expedients permitted under the transition guidance, which allowed the Company to forgo reassessing (a) whether a contract contains a lease, (b) lease classification, and (c) whether capitalized costs associated with a lease are initial direct costs. In addition, the Company elected the practical expedient relating to the combination of lease and non-lease components as a single lease component. The Company chose not to apply the hindsight practical expedient. The new lease guidance has been applied to the Company’s leases as of January 1, 2022, which impacted how operating lease assets and liabilities were recorded within the balance sheet, resulting in the recording of \$149,145 of lease liabilities and \$128,925 of right-of-use (“ROU”) assets on the balance sheet at transition. The net effect on equity as of January 1, 2022 was a reduction to equity of \$20,220.

For lease agreements entered into subsequent to the adoption of ASC 842, the Company determines if an arrangement is a lease at inception. The Company’s lease liabilities represent the obligation to make lease payments arising from the leases and right of use (“ROU”) assets are recognized as an offset at lease inception. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. If the Company’s leases include options to extend the lease, the renewal options are not included in the minimum lease terms unless they are reasonably certain to be exercised. Rent expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term and is included in general and administrative expenses in the statements of operations.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options or to enter into new leases that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(n) Advertising Costs

The Company expenses advertising costs as incurred. For the years ended December 31, 2024, 2023, and 2022, advertising expenses were \$286,727, \$260,286, and \$282,970, respectively.

(o) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. For certain of the Company’s financial instruments, including cash and cash equivalents and accounts receivable, the carrying amounts approximate fair value due to their short maturities.

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024, 2023, and 2022

(p) Employee Retention Credit

In 2022, the Company participated in the Employee Retention Credit (ERC) program as provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation. The ERC is a refundable tax credit designed to encourage businesses to retain employees during the COVID-19 pandemic.

The Company has recognized the Employee Retention Credit as a reduction of qualifying payroll expenses in the income statement for the period ended December 31, 2022. The ERC amount recognized represents the allowable credit for eligible wages paid to qualifying employees during the covered period as defined by the legislation.

The Company has complied with the eligibility criteria and documentation requirements established by the Internal Revenue Service (IRS) for claiming the Employee Retention Credit. The determination of the credit amount recognized is based on a careful review of eligible wages and other qualifying expenses incurred during the covered period. During 2022, the Company received \$125,001 in ERC funding.

(q) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Property and Equipment

As of December 31, 2024, 2023, and 2022, the Company's property and equipment consist of the following:

	2024	2023	2022
Office equipment	\$ 8,157	\$ 8,157	\$ 3,198
Vehicles	27,247	27,247	27,247
Accumulated depreciation	(24,941)	(18,127)	(11,339)
	<u>\$ 10,463</u>	<u>\$ 17,277</u>	<u>\$ 19,106</u>

Depreciation expense for the years ended December 31, 2024, 2023, and 2022 was \$6,814, \$6,788, and \$6,076, respectively.

(3) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalty and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Westside Pizza system for a period of 1-10 years. Under the Company's revenue recognition policy, the Company allocates the initial franchise fee to the pre-opening-services obligation, which is recognized when the pre-opening-services obligation has been fulfilled (generally when the franchisee begins operations). In addition, the Company defers related contract costs such as broker commissions over the same period and records them as deferred contract costs. For any franchisees that have not met the criteria for revenue recognition as of year-end, the Company defers both the franchise fee revenue and any associated commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

As of December 31, 2024 and 2023, the Company had long-term deferred contract costs of \$6,250. There were not any deferred contract costs as of December 31, 2022.

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024, 2023, and 2022

The Company has estimated the following current and non-current portions of deferred revenue as of December 31, 2024, 2023 and 2022:

	2024	2023	2022
Deferred revenue, current	\$ 12,500	\$ 12,500	\$ 50,000
Deferred revenue, non-current	262,500	250,000	212,500
	<u>\$ 275,000</u>	<u>\$ 262,500</u>	<u>\$ 262,500</u>

(4) Gift Certificate Liability

The gift card liability consists of Company-wide activated gift cards that have not been redeemed as of year-end. The gift cards are recorded as liabilities until activation. As of December 31, 2024, 2023, and 2022, the amount of outstanding activated gift cards was \$63,703, \$53,771, and \$46,211, respectively.

(5) Accrued expenses

As of December 31, 2024, accrued expenses consist of the following:

	2024
Accrued payroll	\$ 22,545
Accrued office expenses	444
	<u>\$ 22,989</u>

There were not any accrued expenses for the years ended December 31, 2023 and 2022.

(6) Credit Cards Payable

As of December 31, 2024, 2023 and 2022, the Company had credit card balances payable totaling \$10,653, \$12,588, and \$6,673 respectively, which represent amounts owed to various credit card issuers for business-related transactions. These balances primarily consist of expenses incurred for purchases of supplies, services, and other operating expenses.

The Company closely monitors credit card balances and makes payments within the specified credit terms to avoid incurring additional costs such as interest charges or late payment penalties.

The Company recognizes credit card balances payable as liabilities on the balance sheet as their outstanding amounts. Any cash discounts or rebates received from credit card issuers are recorded as reductions to the respective expense accounts.

The Company did not have any significant concentrations of credit risk related to credit cards payable as of December 31, 2024, 2023, and 2022. Additionally, there were no material uncertainties regarding the timing or amount of future cash outflows associated with credit card balances payable.

(7) Operating Lease

The Company has a lease for office space that is classified as an operating lease. The Company entered into the lease agreement on July 1, 2015. The term of the lease is ten years with options to renew. The Company considers various factors, including the asset's continued utility and market conditions, when determining whether to exercise renewal options. The exercise of renewal options is not included in the future minimum lease payments disclosed below. As of December 31, 2024, 2023, and 2022, the Company recorded a right of use asset of \$26,390, \$63,350, and \$97,433, respectively. As of December 31, 2024, 2023, and 2022, the Company had the following operating lease liability:

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024, 2023, and 2022

	2024	2023	2022
Operating lease liability, current	\$ 31,317	\$ 43,422	\$ 39,171
Operating lease liability, non-current	-	31,317	74,739
	<u>\$ 31,317</u>	<u>\$ 74,739</u>	<u>\$ 113,910</u>

As of December 31, 2024, the maturities of the Company's lease liability were as follows:

For the year ended December 31,	
2025	\$ 31,317
	<u>\$ 31,317</u>

(8) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(9) Subsequent Events

Management has reviewed and evaluated subsequent events through March 5, 2025, the date on which the financial statements were issued.



WESTSIDE PIZZA INTERNATIONAL INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023, 2022 (Restated), AND 2021 (Restated)



WESTSIDE PIZZA INTERNATIONAL INC.

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Independent Auditor's Report

To the Stockholders
Westside Pizza International Inc.
Boise, ID

Opinion

We have audited the accompanying financial statements of Westside Pizza International Inc., which comprise the balance sheets as of December 31, 2023 and the related statements of operations, stockholders' deficit, and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of Westside Pizza International Inc. as of December 31, 2022 and 2021 were audited by other auditors whose report dated March 31, 2023, expressed an unqualified opinion on those statements.

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, 2023, 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.

Basis for Opinion

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

Emphasis of Matter - Correction of Errors

As discussed in Note 7 to the financial statements, during the preparation of the financial statements for the year ended December 31, 2023, management identified errors in revenue recognition related to the years ended December 31, 2022 and 2021. These errors resulted from incorrect timing of revenue recognition of initial franchise fee revenue. In addition, a right of use asset and associated operating lease liability not previously recognized but in existence in 2022 was identified. There were other various errors that were material in the aggregate. As a result, the previously reported financial statements for the years ended December 31, 2022 and 2021 have been restated to reflect the correction of these errors. We were not engaged to audit the years ended December 31, 2022 and 2021. We have audited the adjustments described in Note 7 that were applied to restate the 2022 and 2021 financial statements. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas & Dunlay

St. George, Utah
April 12, 2024

Westside Pizza International Inc.
BALANCE SHEETS
As of December 31, 2023, 2022 (Restated) and 2021 (Restated)

	2023	2022 (Restated*)	2021 (Restated*)
Assets			
Current assets			
Cash and cash equivalents	\$ 131,802	\$ 95,134	\$ 141,034
Accounts receivable	52,806	62,107	40,831
Note receivable, current	8,333	-	-
Operating lease right of use asset	63,350	97,433	-
Deferred contract costs	6,250	-	-
Other current assets	-	-	5,702
Total current assets	<u>262,541</u>	<u>254,674</u>	<u>187,567</u>
Property and equipment, net	17,277	19,106	25,182
Note receivable, non-current	16,667	-	-
Total assets	<u><u>\$ 296,485</u></u>	<u><u>\$ 273,780</u></u>	<u><u>\$ 212,749</u></u>
Liabilities and Stockholders' Deficit			
Current liabilities			
Gift card liability	\$ 53,771	\$ 46,211	\$ 44,210
Credit cards payable	12,588	6,673	25,875
Deferred revenue	262,500	262,500	295,000
Operating lease liability, current	43,422	39,171	-
Total current liabilities	<u>372,281</u>	<u>354,555</u>	<u>365,085</u>
Operating lease liability, non-current	31,317	74,739	-
Total liabilities	<u>403,598</u>	<u>429,294</u>	<u>365,085</u>
Stockholders' deficit			
Capital stock, \$1 par value; 1,000 shares authorized; 1,000 shares issued and outstanding as of 2023, 2022 and 2021	1,000	1,000	1,000
Additional paid-in capital	19,332	19,332	19,332
Accumulated deficit	(127,445)	(175,846)	(172,668)
Stockholders' deficit	<u>(107,113)</u>	<u>(155,514)</u>	<u>(152,336)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 296,485</u></u>	<u><u>\$ 273,780</u></u>	<u><u>\$ 212,749</u></u>

The accompanying notes are an integral part of these financial statements

*Certain balances have been restated due to error. See Note 7 to the financial statements.

Westside Pizza International Inc.

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2023, 2022 (Restated) and 2021 (Restated)

	<u>2023</u>	<u>2022</u> <u>(Restated*)</u>	<u>2021</u> <u>(Restated*)</u>
Operating revenue			
Franchise fees	\$ 50,000	\$ 45,000	\$ -
Transfer fees	13,500	13,500	4,500
Royalty fees	967,048	995,573	913,115
Marketing fees	238,543	238,696	52,071
Rebates	407,532	410,197	397,054
Total operating revenue	<u>1,676,623</u>	<u>1,702,966</u>	<u>1,366,740</u>
Operating expenses			
Salaries and wages	341,004	343,791	394,772
Professional fees	174,710	114,150	116,917
General and administrative	234,345	236,300	168,607
Management fees	190,500	204,000	202,000
Advertising expenses	260,286	282,970	68,811
Total operating expenses	<u>1,200,845</u>	<u>1,181,211</u>	<u>951,107</u>
Operating income	475,778	521,755	415,633
Other income			
PPP loan forgiveness	-	-	27,036
ERC income	-	125,001	-
Total other income	<u>-</u>	<u>125,001</u>	<u>27,036</u>
Net income	<u>\$ 475,778</u>	<u>\$ 646,756</u>	<u>\$ 442,669</u>

The accompanying notes are an integral part of these financial statements

*Certain balances have been restated due to error. See Note 7 to the financial statements.

Westside Pizza International Inc.
STATEMENTS OF STOCKHOLDERS' DEFICIT
For the Years Ended December 31, 2023, 2022 (Restated) and 2021 (Restated)

	Common Stock	Additional Paid-in Capital	Accumulated Equity (Deficit)	Total
Balance at December 31, 2020	\$ 1,000	\$ 19,332	\$ 109,437	\$ 129,768
Net effect of prior period adjustments	-	-	86,469	86,469
Contributions	-	-	-	-
Distributions	-	-	(811,243)	(811,243)
Net income	-	-	442,669	442,669
Balance at December 31, 2021	<u>1,000</u>	<u>19,332</u>	<u>(172,668)</u>	<u>(152,336)</u>
Adoption of ASC 842	-	-	(20,220)	(20,220)
Distributions	-	-	(629,714)	(629,714)
Net income	-	-	646,756	646,756
Balance at December 31, 2022	<u>1,000</u>	<u>19,332</u>	<u>(175,846)</u>	<u>(155,514)</u>
Contributions	-	-	75,000	75,000
Distributions	-	-	(502,377)	(502,377)
Net income	-	-	475,778	475,778
Balance at December 31, 2023	<u>\$ 1,000</u>	<u>\$ 19,332</u>	<u>\$ (127,445)</u>	<u>\$ (107,113)</u>

The accompanying notes are an integral part of these financial statements

*Certain balances have been restated due to error. See Note 7 to the financial statements.

Westside Pizza International Inc.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023, 2022 (Restated) and 2021 (Restated)

	2023	2022 (Restated*)	2021 (Restated*)
Cash flows from operating activities:			
Net income	\$ 475,778	\$ 646,756	\$ 442,669
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	6,788	6,076	4,388
Amortization of ROU asset	34,083	31,492	-
Forgiveness of debt	-	-	(27,036)
Change in operating assets and liabilities:			
Accounts receivable	9,301	(21,276)	(25,585)
Operating lease liability	(39,171)	(35,235)	-
Contract costs	(6,250)	-	11,875
Other current assets	-	5,702	124,408
Accounts payable	-	-	-
Gift card liability	7,560	2,001	5,827
Credit cards payable	5,915	(19,202)	10,791
Deferred revenue	-	(32,500)	282,134
Net cash provided by operating activities	<u>494,004</u>	<u>583,814</u>	<u>829,471</u>
Cash flows from investing activities:			
Purchases of property and equipment, net	<u>(4,959)</u>	<u>-</u>	<u>(27,247)</u>
Net cash used in investing activities	<u>(4,959)</u>	<u>-</u>	<u>(27,247)</u>
Cash flows from financing activities:			
Contributions	75,000	-	-
Distributions	(502,377)	(629,714)	(811,243)
Note receivable, net	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>(452,377)</u>	<u>(629,714)</u>	<u>(811,243)</u>
Net change in cash and cash equivalents	36,668	(45,900)	(9,018)
Cash and cash equivalents at beginning of period	<u>95,134</u>	<u>141,034</u>	<u>150,052</u>
Cash and cash equivalents at end of period	<u>\$ 131,802</u>	<u>\$ 95,134</u>	<u>\$ 141,034</u>
Supplemental disclosures of cash flow			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

*Certain balances have been restated due to error. See Note 7 to the financial statements.

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022 (restated), and 2021 (restated)

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Westside Pizza International Inc. (the “Company”) (an “S” Corp) was formed on December 15, 2011 in the state of Washington. In August 2015, the Company moved and was registered in Idaho. The Company prepares, bakes, and serves delicious hand-crafted pizzas, pastas, and more.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items in prior years have been reclassified to conform to the current year’s presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2023, 2022, and 2021, the Company had \$131,802, \$95,134, and \$141,034, respectively. As of December 31, 2023, 2022, and 2021, \$20,895, \$25,164, and \$25,656, respectively, was set aside by the Company for satisfaction of the gift card liability.

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, marketing fees, royalty fees, and rebates. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses in the Company’s existing accounts receivable. The Company determines the allowance based on historical collections, customers’ current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer’s ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2023, 2022, and 2021, the Company had net accounts receivable of \$52,806, \$62,107, and \$40,831. As of December 31, 2023, 2022 and 2021, the Company had no allowance for doubtful accounts.

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022 (restated), and 2021 (restated)

(g) Note Receivable

As of December 31, 2023, the Company held a promissory note receivable with a total carrying amount of \$25,000. This promissory note represents an amount due from a third party arising from a buyout agreement. The note will be paid back in yearly installments totaling \$8,333 and is noninterest bearing. The note matures in October 2026.

(h) Property and Equipment

Property and equipment are stated at historical cost. Depreciation is provided utilizing the straight-line method over estimated useful lives of 5 years.

(i) Long-Lived Assets

Long-lived assets will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Any impairment loss will be measured by the difference between the fair value of an asset and its carrying amount, and will be recognized in the period that the recognition criteria are first applied and met.

(j) Gift Card Liability

The Company processes gift card purchases for all locations and recognizes a gift card liability in the amount of the unredeemed gift cards as of year-end. The Company then reimburses each location when the gift cards are redeemed.

(k) Revenue Recognition

The Company's primary revenues consist of initial franchise fees, marketing fees, royalty fees, and rebates.

Upon commencement of operations, the Company adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluates all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial franchise fee, marketing fees, royalty fees, and the Company's performance obligations. The franchise term ranges from 1-10 years and renewal options may be signed in conjunction with the initial franchise contract sale.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of marketing and royalty fees, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. ASC 952-606 identifies the following general pre-opening services (which the Company may or may not provide) as eligible for inclusion in the single distinct performance obligation:

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023, 2022 (restated), and 2021 (restated)

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services.
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon the provision of these pre-opening services, which is generally the commencement of operations.

(l) *Income Taxes*

The Company has elected to be treated as Subchapter S Corporation under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholder and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements. The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the following tax years are subject to examination:

<u>Jurisdiction</u>	<u>Open Years for Filed Returns</u>	<u>Return Filed in 2023</u>
Federal	2020 – 2022	2022
Idaho	2020 – 2022	2022

(m) *Leases*

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)", with several subsequent amendments, which requires lessees to recognize the assets and liabilities that arise from operating and finance leases on the balance sheets, with a few exceptions. ASC 842 replaced the existing lease guidance in U.S. GAAP. The Company adopted the new standard as of January 1, 2022, the first day of the Company's fiscal year using a modified retrospective transaction approach. Under the approach, the Company adjusted assets and liabilities as of January 1, 2022 with a cumulative effect adjustment and did not retrospectively recast prior periods presented. In addition, the Company elected the package of practical expedients permitted under the transition guidance, which allowed the Company to forgo reassessing (a) whether a contract contains a lease, (b) lease classification, and (c) whether capitalized costs associated with a lease are initial direct costs. In addition, the Company elected the practical expedient relating to the combination of lease and non-lease components as a single lease component. The Company chose not to apply the hindsight practical expedient. The new lease guidance has been applied to the Company's leases as of January 1, 2022, which impacted how operating lease assets and liabilities were recorded within the balance sheet, resulting in the recording of \$149,145 of lease liabilities and \$128,925 of right-of-use ("ROU") assets on the balance sheet at transition. The net effect on equity as of January 1, 2022 was a reduction to equity of \$20,220.

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022 (restated), and 2021 (restated)

For lease agreements entered into subsequent to the adoption of ASC 842, the Company determines if an arrangement is a lease at inception. The Company's lease liabilities represent the obligation to make lease payments arising from the leases and right of use ("ROU") assets are recognized as an offset at lease inception. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. If the Company's leases include options to extend the lease, the renewal options are not included in the minimum lease terms unless they are reasonably certain to be exercised. Rent expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term and is included in general and administrative expenses in the statements of operations.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options or to enter into new leases that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(n) Advertising Costs

The Company expenses advertising costs as incurred. For the years ended December 31, 2023, 2022, and 2021, advertising expenses were \$260,286, \$282,970, and \$68,811, respectively.

(o) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. For certain of the Company's financial instruments, including cash and cash equivalents and accounts receivable, the carrying amounts approximate fair value due to their short maturities.

(p) Paycheck Protection Program

The Company received funding under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, administered by the U.S. Small Business Administration (SBA), to mitigate the economic impact of the COVID-19 pandemic. The PPP Loan was utilized to support eligible payroll costs, rent, utilities, and mortgage interest payments during the covered period.

The Company applied for \$27,036 in PPP funding in 2020. As of December 31, 2021, the entire amount was forgiven. The Company has recognized the forgiven amount as other income in the statement of operations.

(q) Employee Retention Credit

In 2022, the Company participated in the Employee Retention Credit (ERC) program as provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation. The ERC is a refundable tax credit designed to encourage businesses to retain employees during the COVID-19 pandemic.

The Company has recognized the Employee Retention Credit as a reduction of qualifying payroll expenses in the income statement for the period ended December 31, 2022. The ERC amount recognized represents the allowable credit for eligible wages paid to qualifying employees during the covered period as defined by the legislation.

The Company has complied with the eligibility criteria and documentation requirements established by the Internal Revenue Service (IRS) for claiming the Employee Retention Credit. The determination of the credit amount recognized is based on a careful review of eligible wages and other qualifying expenses incurred during the covered period. During 2022, the Company received \$125,001 in ERC funding.

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023, 2022 (restated), and 2021 (restated)

(r) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Property and Equipment

As of December 31, 2023, 2022, and 2021, the Company's property and equipment consist of the following:

	2023	2022	2021
Office equipment	\$ 8,157	\$ 3,198	\$ 3,198
Vehicles	27,247	27,247	27,247
Accumulated depreciation	(18,127)	(11,339)	(5,263)
	<u>\$ 17,277</u>	<u>\$ 19,106</u>	<u>\$ 25,182</u>

Depreciation expense for the years ended December 31, 2023, 2022, and 2021 was \$6,788, \$6,076, and \$4,388, respectively.

(3) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalty and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Westside Pizza system for a period of 1-10 years. Under the Company's revenue recognition policy, the Company allocates the initial franchise fee to the pre-opening-services obligation, which is recognized when the pre-opening-services obligation has been fulfilled (generally when the franchisee begins operations). In addition, the Company defers related contract costs such as broker commissions over the same period and records them as deferred contract costs. For any franchisees that have not met the criteria for revenue recognition as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

As of December 31, 2023, the Company had deferred revenue and deferred contract costs of \$262,500 and \$6,250, respectively. As of December 31, 2022 and 2021, the Company had deferred revenue of \$262,500 and \$295,000, respectively.

(4) Gift Certificate Liability

The gift card liability consists of Company-wide activated gift cards that have not been redeemed as of year-end. The gift cards are recorded as liabilities until activation. As of December 31, 2023, 2022, and 2021, the amount of outstanding activated gift cards was \$53,771, \$46,211, and \$44,210, respectively.

(5) Credit Cards Payable

As of December 31, 2023, 2022 and 2021, the Company had credit card balances payable totaling \$12,588, \$6,673, and \$25,875, respectively, which represent amounts owed to various credit card issuers for business-related transactions. These balances primarily consist of expenses incurred for purchases of supplies, services, and other operating expenses.

The Company closely monitors credit card balances and makes payments within the specified credit terms to avoid incurring additional costs such as interest charges or late payment penalties.

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023, 2022 (restated), and 2021 (restated)

The Company recognizes credit card balances payable as liabilities on the balance sheet as their outstanding amounts. Any cash discounts or rebates received from credit card issuers are recorded as reductions to the respective expense accounts.

The Company did not have any significant concentrations of credit risk related to credit cards payable as of December 31, 2023, 2022, and 2021. Additionally, there were no material uncertainties regarding the timing or amount of future cash outflows associated with credit card balances payable.

(6) Operating Lease

The Company has a lease for office space that is classified as an operating lease. The Company entered into the lease agreement on July 1, 2015. The term of the lease is ten years with options to renew. The Company considers various factors, including the asset's continued utility and market conditions, when determining whether to exercise renewal options. The exercise of renewal options is not included in the future minimum lease payments disclosed below. As of December 31, 2023 and 2022, the Company recorded a right of use asset of \$63,350 and \$97,433, respectively. As of December 31, 2023 and 2022, the Company had the following operating lease liability:

	2023	2022
Operating lease liability, current	\$ 43,422	\$ 39,171
Operating lease liability, non-current	31,317	74,739
	<u>\$ 74,739</u>	<u>\$ 113,910</u>

As of December 31, 2023, the maturities of the Company's lease liability were as follows:

For the year ended December 31,	
2024	\$ 43,422
2025	31,317
	<u>\$ 74,739</u>

(7) Correction of Errors – Restatement

During the preparation of the financial statements for the year ended December 31, 2023, management identified errors in revenue recognition related to years ended December 31, 2022 and 2021. These errors resulted from incorrect timing of revenue recognition of franchise fee revenue. A portion of revenue attributable to services not yet performed was recognized incorrectly. In addition, management determined that under ASC 842 *Leases*, a lease for office and warehouse space should have been recorded in 2022. There were various errors that were material in the aggregate also recorded in 2022 and 2021. As a result, the previously reported financial statements for the years ended December 31, 2022 and 2021 have been restated to reflect the correction of these errors as follows:

WESTSIDE PIZZA INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023, 2022 (restated), and 2021 (restated)

	2021 As previously reported	2021 Restated	Change
Cash and cash equivalents	\$ 105,247	\$ 141,034	\$ 35,787
Accounts receivable	15,246	40,831	25,585
Other current assets	130,110	5,702	(124,408)
Property and equipment	18,438	25,182	6,744
Deferred contract costs	11,875	-	(11,875)
Accounts payable	6,897	-	(6,897)
Credit cards payable	12,196	25,875	13,679
Deferred revenue	115,450	295,000	179,550
Other current liabilities	8,421	-	(8,421)
Distributions	1,935,772	2,040,967	105,195
Retained earnings	1,339,161	1,425,630	86,469
Franchise fee revenue	299,500	4,500	(295,000)
Royalty fee revenue	896,450	913,115	16,665
Marketing fee revenue	-	52,071	52,071
Rebate revenue	397,968	3697,054	(914)
Operating expenses	\$ 32,949	\$ 33,124	\$ 175

	2022 As previously reported	2022 Restated	Change
Cash and cash equivalents	\$ 54,583	\$ 95,134	\$ 40,551
Accounts receivable	12,438	62,107	49,669
Operating lease right-of-use asset	-	97,433	97,433
Other current assets	256,675	-	(256,675)
Property and equipment	18,438	19,106	668
Accounts payable	6,897	-	(6,897)
Credit cards payable	2,480	6,673	4,193
Deferred revenue	115,450	262,500	147,050
Operating lease liability	-	113,910	113,910
Other current liabilities	8,043	-	(8,043)
Distributions	2,441,600	2,672,545	230,945
Retained earnings	2,014,885	1,849,944	(164,941)
Franchise fee revenue	26,000	58,500	32,500
Royalty fee revenue	991,444	995,573	4,129
Marketing fee revenue	-	238,696	238,696
Rebate revenue	397,785	410,197	12,412
Operating expenses	\$ 51,494	\$ 273,528	\$ 222,034

Management has reevaluated the effectiveness of internal controls over financial reporting in light of these errors and has implemented measures to prevent similar errors in the future.

(8) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

WESTSIDE PIZZA INTERNATIONAL INC.

**INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS**

AS OF DECEMBER 31, 2022

**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, December 31, 2021 and December 31, 2022, 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, December 31, 2021 and December 31, 2022, 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, December 31, 2021 and December 31, 2022, and the results of its operations for the year December 31, 2022 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.

JPizars 

March 31, 2023

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)

Westside Pizza

Balance Sheet
As of December 31, 2022

	JAN - DEC 2020	JAN - DEC 2021	JAN - DEC 2022
▼ ASSETS			
▼ Current Assets			
▼ Bank Accounts			
▶ Checking/Savings Accounts	150,051.72	105,247.32	54,583.23
Total Bank Accounts	\$150,051.72	\$105,247.32	\$54,583.23
▶ Accounts Receivable	\$2,808.63	\$2,808.63	\$0.00
▶ Other Current Assets	\$142,547.95	\$142,547.95	\$269,112.23
Total Current Assets	\$295,408.30	\$250,603.90	\$323,695.46
▶ Fixed Assets	\$18,438.07	\$18,438.07	\$18,438.07
▼ Other Assets			
Downtown Yakima Equipment BSR Design		0.00	0.00
Other assets	11,875.00	11,875.00	11,875.00
Total Other Assets	\$11,875.00	\$11,875.00	\$11,875.00
TOTAL ASSETS	\$325,721.37	\$280,916.97	\$354,008.53
▼ LIABILITIES AND EQUITY			
▼ Liabilities			
▶ Current Liabilities	\$195,952.97	\$187,173.85	\$179,774.99
Total Liabilities	\$195,952.97	\$187,173.85	\$179,774.99
▶ Equity	\$129,768.40	\$93,743.12	\$174,233.54
TOTAL LIABILITIES AND EQUITY	\$325,721.37	\$280,916.97	\$354,008.53

See notes to the financial statements.

Westside Pizza INCOME STATEMENT

(Expressed in US Dollars)

Westside Pizza

Profit and Loss

January 2020 - December 2022

	JAN - DEC 2020	JAN - DEC 2021	JAN - DEC 2022	TOTAL
▼ Income				
Franchise Buy In Fees	75,000.00	299,500.00	26,000.00	\$400,500.00
Franchise Transfer Fees	6,000.00			\$6,000.00
Royalties Sales	794,292.44	896,450.30	991,444.18	\$2,682,186.92
Total Income	\$875,292.44	\$1,195,950.30	\$1,017,444.18	\$3,088,686.92
GROSS PROFIT	\$875,292.44	\$1,195,950.30	\$1,017,444.18	\$3,088,686.92
► Expenses	\$657,959.24	\$950,932.69	\$959,003.75	\$2,567,895.68
NET OPERATING INCOME	\$217,333.20	\$245,017.61	\$58,440.43	\$520,791.24
► Other Income	\$345,894.81	\$425,004.15	\$522,785.64	\$1,293,684.60
► Other Expenses	\$0.00	\$0.00	\$173.49	\$173.49
NET OTHER INCOME	\$345,894.81	\$425,004.15	\$522,612.15	\$1,293,511.11
NET INCOME	\$563,228.01	\$670,021.76	\$581,052.58	\$1,814,302.35

See notes to the financial statements.

WESTSIDE PIZZA INTERNATIONAL INC.

STATEMENT OF CASH FLOWS

Westside Pizza

Statement of Cash Flows

January 2020 - December 2022

	JAN - DEC 2020	JAN - DEC 2021	JAN - DEC 2022	TOTAL
OPERATING ACTIVITIES				
Net Income	563,228.01	670,021.76	581,052.58	\$1,814,302.35
Adjustments to reconcile Net Income to Net Cash provided by operations:				\$0.00
Accounts Receivable			2,808.63	\$2,808.63
Loan to Employee			0.00	\$0.00
loan to Surge Investments	26,600.00			\$26,600.00
Loan to Swift Investments	100.00			\$100.00
loan to WSP 43 LLC	-12,028.02		-125,750.62	\$ -137,778.64
Other Current Assets			-556.00	\$ -556.00
Other Current Assets:Gift Card - Tendercard Holding			-257.66	\$ -257.66
Credit Card Accounts:Chase Credit Card	124,797.04	125,268.73	-9,716.50	\$240,349.27
Credit Card Accounts:Chase Credit Card:Rodney 1513	-131,880.14	-113,099.43		\$ -244,979.57
Loan from Officer.	7,347.54			\$7,347.54
Payroll Liabilities			-1,477.48	\$ -1,477.48
Payroll Liabilities:Child Support Payable			1,169.75	\$1,169.75
Payroll Liabilities:Idaho State Income Tax			40.45	\$40.45
PPP Funding	27,036.00	-27,036.00		\$0.00
Tender Card	12,661.98	6,087.58	2,584.92	\$21,334.48
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	54,634.40	-8,779.12	-131,154.51	\$ -85,299.23
Net cash provided by operating activities	\$617,862.41	\$661,242.64	\$449,898.07	\$1,729,003.12
INVESTING ACTIVITIES	\$ -2,438.07	\$0.00	\$0.00	\$ -2,438.07
FINANCING ACTIVITIES				
Retained Earnings			5,702.10	\$5,702.10
Shareholder Distributions			-20,000.00	\$ -20,000.00
Shareholder Distributions:Aaron Olson	-274,212.34	-75,000.00	-120,900.00	\$ -470,112.34
Shareholder Distributions:Jeff Roberts		-75,450.00	-121,336.09	\$ -196,786.09
Shareholder Distributions:Rodney Nelson	-274,212.34	-75,000.00	-100,900.00	\$ -450,112.34
Shareholder Distributions:WSP Holding Account		-480,597.04	-143,128.17	\$ -623,725.21
Net cash provided by financing activities	\$ -548,424.68	\$ -706,047.04	\$ -500,562.16	\$ -1,755,033.88
NET CASH INCREASE FOR PERIOD	\$66,999.66	\$ -44,804.40	\$ -50,664.09	\$ -28,468.83

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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

WESTSIDE PIZZA INTERNATIONAL INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

comparison indicates that there is impairment, the amount of the impairment is 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, 2022.

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, 2022

Note 2. Net Income & Payment Protection Program Grant

As of December 31, 2022, net income is for the amount of \$581,053 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 was forgiven by Small Business Administration.

Note 3. Cash and Cash Equivalents

		<u>2022</u>
Cash in Banks in USD	\$	<u>54,583</u>

Note 4. Approval of the Financial Statements

The Financial Statements as of December 31, 2022, were approved by the Company's management on March 31, 2023.

**EXHIBIT C
TO THE FDD**

**SCHEDULE OF FRANCHISEES:
(as of December 31, 2024)**

CURRENT FRANCHISEES				
	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
Idaho				
3	Kam West INC	405 W. Neider, Ste 108	Coeur d'Alene, ID 83815	208-551-2992
4	PanHandle Pizza, LLC	020 ID-41 Suite 1	Post Falls, ID 83854	208-773-4000
5	Westside Pizza Star Inc.	11200 West Hercules Drive #100	Star, ID 83669	208-286-9030
Utah				
6	Clarke Restaurants Unlimited LLC	3639 W. 2600 N.	Plain City, UT 84404	801-675-5554
7	Clarke Restaurants Unlimited LLC	3008 West 4000 South, Ste C	West Haven, UT 84401	385-333-5822
8	Clark Restaurant Group ¹	330 East Highway 193 Suite D 9	Layton, UT 84041	801-459-4001
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	WSPWA LLC	23730 NE State Route 3	Belfair, WA 98528	360-277-4071
12	Noor Pizza Place, Inc.	4260 Cordata Parkway, #107	Bellingham, WA 98226	360-756-5055
13	WSP Northwest LLC	1733 H Street, Unit 200	Blaine, WA 98230	360-392-8922
14	WSPWA LLC ²	1217 Sylvan Way	Bremerton, WA 98310	360-377-7770
15	Kyle Grote Inc.	135 S. Jefferson Street N	Buckley, WA 98321	360-829-0800
16	Will-Dean Enterprise Inc.	137 E. Woodin Ave.	Chelan, WA 98816	509-682-4321
17	Best Pizza Colfax LLC	208 1/2 N Main	Colfax, WA 99111	509-397-0000
18	McCurdy Inc.	102 W Main Street	Everson, WA 98247	360-922-7395
19	AP McCurdy Inc.	1887 Main St, Suite 104	Ferndale, WA 98248	360-778-1167
20	Frederick & CO LLC	4040 Orchard St. South, Ste 110	Fircrest, WA 98466	253-565-2665
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	18960 State Highway 305, Ste 100	Poulsbo, WA 98370	360-697-3400
26	Cash Flow Investments Inc.	540 West Washington Street	Sequim, WA 98382	360-683-3100
27	Deathby Inc.	421 S. 1 st St.	Shelton, WA 98584	360-426-7000
28	Humble Group INC	855 Trosper Road, S.W. #105	Tumwater, WA 98512	360-915-6061
29	Noor Pizza Place INC	607 Northshore Dr.	Bellingham, WA 98226	360-656-6550

¹ This franchise is not yet opened.

COMPANY-OWNED LOCATIONS



	ADDRESS	CITY, STATE, ZIP	PHONE
1	8489 W. Overland RD	Boise, ID 83709	208-322-1000
2	3195 Greenhurst Rd.	Nampa, ID 83686	208-546-0935
3	25960 Ohio Ave NE	Kingston, WA 98346	360-297-6800
4	602 E. Yakima Avenue, Ste 102	Yakima, WA 98901	509-902-1136
5	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:

FRANCHISEE	CITY, STATE	PHONE/EMAIL
We Sell Pizza LLC	Firecrest, WA	253-565-2665

TERMINATED FRANCHISEES:

STATE	FRANCHISEE	CITY, STATE	PHONE/EMAIL
CA	Pacific Coast Pizza, LLC	432 S. Fortuna Blvd	707-832-9552
TX	Williams West Pizzaeria LLC	616 Milwaukee Ave, Ste 800	806-403-1300

SIGNED BUT NOT OPENED

STATE	FRANCHISEE	CITY
CA	NorthValley Pizza LLC	Chico, CA

LEGACY FRANCHISE UNITS

STATE	CITY
WA	Colville
WA	Chewelah
WA	Kettle Falls

* If you buy 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	EMAIL
Tanner Stephens	1276 Carlsburg Road Sequim, WA 98382	tjs@westsidepizza.com
Jessica Daniel	5020 Rhonda Road, Ste A Anderson, CA. 96007	thedaniels@westsidepizza.com
Michael Long	920 ID-41 #1Post Falls, ID83854	longstyxx0404@yahoo.com
Tom Daniels	13409 NE Cambridge Crest Bainbridge Island, WA 98110	tdaniels@tncinvestment.com



Bridger Clarke	3639 W. 2600 N., Ste D Plain City, UT 84404	bridgerclarke@westsidepizza.com
Will Kandlik	137 E. Woodin Ave Chelan, WA 98816	willkandlik@gmail.com
Jacob Thomas	421 S. First St. Shelton, WA 98584	Jakethms2@gmail.com
Kyle Grote	4040 Orchard St. West, Ste 110 Fircrest, WA 98466	kylegrote@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 www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov
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) 539-1600
New York	Secretary of State		99 Washington Ave, Albany, NY 12231-0001	(518) 473-2492
North Dakota	Securities Commissioner		600 East Boulevard Ave., State Capitol Fourteenth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex –	(401) 462-9527

	Business Regulation		Building 69-1, Cranston, RI 02920	
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	Department of Financial Institutions	Securities Division	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	Commissioner of Financial Protection and Innovation www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee road, Suite 315, San Diego, CA 92108 <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) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capitol Fourteenth 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	150 Isreal Rd SW, Tumwater, WA 98501	(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

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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 at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise.
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. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
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 at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, 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 Utah. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
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 Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

14. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

16. Franchisees owning 5% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

17. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

18. Mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

19. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

EXHIBIT F
TO THE FDD
MANUAL TABLE OF CONTENTS





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EXHIBIT G
TO THE FDD
AREA DEVELOPMENT AGREEMENT



WESTSIDE PIZZA®
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is made and entered into effective as of _____ by and between **WESTSIDE PIZZA INTERNATIONAL INC.**, a Washington corporation ("We," "Us," or "Franchisor"), and _____ ("You," "Your," or "Area Developer").

RECITALS:

WHEREAS, You desire to acquire the right to develop and operate multiple Westside Pizza® Franchise Units in the Development Area described below and pursuant to the terms and conditions of this Agreement; and

WHEREAS, You have entered into a separate Franchise Agreement with Us for the right to operate Your first Westside Pizza® franchise, signed contemporaneously 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 The succeeding terms have the following described meanings. Additionally, unless otherwise clearly required by the context, when used in this Agreement, all capitalized terms used but not defined herein have the respective meaning assigned to them pursuant to the Franchise Agreement signed contemporarily with this Agreement.

"Develop" or "Developed" whether capitalized or not means to open and operate Westside Pizza® Units. You must have a fully executed Franchise Agreement and a fully executed lease agreement that has been approved by Us for a Unit to be considered in "development" if not yet opened or to be considered "developed" if the Unit is operational. Otherwise, the Unit will be considered an Undeveloped Unit as defined below.

"Development Area" means the geographical area set forth in Exhibit "A."

"Development Business" means the business of developing Westside Pizza® Franchise Businesses in the Development Area 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 Development Area.

"Franchise," "Franchise Business," "Franchise Unit," or "Unit" means a business that has signed a Franchise Agreement to operate a Westside Pizza® business in the Development Area.

"Franchise Agreement" means Our franchise agreement which licenses the right to use Our Marks and System for the operation of a Westside Pizza® Franchise Unit at a single designated location.

"Owners" means You and each of Your owners, partners, members, managers, officers, directors or shareholders.

"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 for the Westside Pizza® brand.



"Undeveloped Unit" is any Unit for which You do not have a fully executed Franchise Agreement together with a fully executed lease agreement that has been approved by Us.

Article 2 - Area 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 Westside Pizza® Franchise Businesses in the Development Area in accordance with the Development Schedule set forth on Exhibit "B." Other than as set forth in this Agreement, We will not establish or sell traditional Westside Pizza® Franchise Units within the Development Area 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. You represent and We rely upon Your representations in entering into this Agreement that the individuals on Exhibit "C" are the owners of and sole holders of a legal and beneficial interest in Your Development Business. 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 Development Area.

2.3 Franchisor's 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 Franchise Businesses or similar operations outside of the Development Area. We, or our affiliate, either personally or through agents and representatives, or franchises, also reserve the right to sell and market Westside Pizza® outlets in non-traditional locations and large institution-type locations both within and without Your Development Area. These non-traditional franchises may include locations at malls, convention centers, sporting arenas, military bases, hotels, universities, airports, hospitals, transportation facilities, (including rail or bus terminals, toll road plazas and highway rest stops); urban office buildings; supermarkets; carnivals or street fairs; government facilities; shopping malls; educational facilities; casinos; resort properties; amusement parks or amusement centers, and other similar locations. Any non-traditional outlet We or an affiliate open or sell or that You may open upon approval will not be counted toward Your development obligations set forth in the Development Schedule. Furthermore, We and Our affiliates expressly reserve the right to sell market and distribute the Westside Pizza® products in the Development Area and elsewhere without compensation to You using other Marketing strategies and distribution channels, including, the Internet, retail units and wholesale outlets, etc. 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 Development Area, without compensation to You.

Article 3 - Development & Term

3.1 Minimum Development Schedule. You shall open the number of Franchise Units by the deadlines 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 operating Franchise Business located within the Development Area by the applicable deadline and remains operating 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 the Franchise Agreement(s).

3.3 Time of the Essence. Time is of the essence with respect to compliance with the Development Schedule 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 \$30,000 initial franchise fee for Your first unit to be Developed, plus the full reduced non-refundable initial franchise fee of \$20,000 for each additional Franchise Unit to be Developed. Upon payment of the Development Fee, there is no additional initial franchise fee to be paid under the Development Schedule. No rights or privileges under this Agreement exist until the Development Fee is paid in full.

4.2 **Additional Units.** If You wish to purchase more Franchise Units than the number of Units listed in the Development Schedule, You must first receive Our prior written approval as to the number and whether You are able to add additional Units to the Development Schedule. If approved, You shall pay a Development Fee equal to the greater of \$20,000 or \$10,000 less than Our then-current initial franchise fee for each additional Franchise Unit to be developed, payable in one lump sum.

4.3 **Non-Refundable.** No payment, Fee or deposit paid by You is 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 Development Area 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 at the beginning of development and prior to acquisition or lease of any related real property, commencing construction or improvements, or any other development activity or operations for the applicable Franchise Unit. Your obligations to locate, lease, and construct a Unit will be governed by the timeliness stated in the applicable Unit Franchise Agreement, except that the requirement for opening and commencing operation of the Unit for the purposes of this Agreement will be based on the Development Schedule deadlines, and not the opening deadline listed in that Franchise Agreement.

5.2 **Modification of the Franchise Agreement.** We reserve the right, from time to time, to amend, change or modify Our form Franchise Agreement, which modifications will apply to those Franchise Agreements signed after such modifications are made.

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 and sign the Guaranty and Assumption of Obligations attached as Exhibit "D".

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 **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.

6.2 **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.

6.3 Franchise Obligations. You shall promptly pay all of Your obligations and liabilities to Us and Your suppliers, lessors, trade accounts and government agencies. We have no liability for Your obligations, and You shall indemnify and hold Us harmless from any such obligations.

6.4 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 Development Area.

6.5 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 Personnel, customers, agents or guests, in the operation of Your Development Business, 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. 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 that are not otherwise made public under franchise disclosure laws will remain confidential, and You shall not make any public announcement, issue any press release, publicize, 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 the Marks or derivatives thereof and that Your right to use the Marks is derived solely from Your Franchise Agreement(s).

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 that 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 upon written notice to You.

1) You or any of Your Owners makes or attempts to make an unauthorized assignment of this Agreement, Your Franchise Agreements, Franchise Units, or any ownership change in You without Our prior written 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 reasonably believe is likely to have a material adverse effect on Your Franchise Units, Us, or the System;

3) You repeatedly breach (three or more times) the same provision of this Agreement within a 12-month period;

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; or

6) You voluntarily or otherwise abandon the development of Franchise Units in the Development Area hereunder exhibited by not responding to our calls, emails, letters, or other attempts to reach You for a period of 30 or more days, or Your actions to Us, to other franchisees or area developers, or to the public indicate that You do not plan to continue development operations.

9.1.2 5-Day Cure Period. You fail to make a payment to Us or an affiliate of Ours and fail to cure within five days of receiving written notice of default.

9.1.3 30-Day Cure Period. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement and fail to cure within 30 days of receiving written notice of default from Us.

9.1.4 45-Day Cure Period. You fail to meet Your development obligations set forth in the Development Schedule and fail to cure within 45 days of receiving written notice of default from Us.

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. Upon Termination of this Agreement, for any reason, Your rights under this Agreement are terminated, and We will be free to own, operate or franchise Westside Pizza® businesses anywhere in the Development Area other than as prohibited by any existing signed Franchise Agreement. The foregoing is in addition to any other right or remedy We may have at law or in equity.

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, together with Our then-current FDD, and franchisees will have 15 days to exercise their option to develop a franchise in the proposed area by signing a franchise agreement within the 15-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. There is no guarantee that You will have the opportunity to develop undeveloped licenses after Termination.

10.3 Operating Units. After Termination of this Agreement, You may continue to own and operate Your individual Franchise Units in the Development Area that are owned and operated by You prior to Termination, so long as You are not in default and continue to faithfully perform the terms and conditions of such Franchise Agreement(s).

10.4 Undeveloped Units. Upon Termination of this Agreement, You will no longer have the right to

develop any Undeveloped Units. You will also forfeit all deposits, Fees, payments, and installments You have paid toward the Development Fee for Undeveloped Units.

Article 11 – Integration of the Various Articles of the Franchise Agreement

Article XV through Article XXI of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as “Franchise Business” and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. The transfer fee to transfer any portion or obligation under this Agreement is \$10,000 per instance of transfer, plus \$7,000 for each undeveloped Franchise Unit, and if any developed Franchise Unit is transferred, the then-current transfer fee for any developed Franchise Unit. Additionally, the non-competition restrictions and distances are 50 miles of Your development area or within 15 miles of another then-existing Westside Pizza® franchise and apply to Your Development Area defined in this Agreement and the terms and restrictions are further set forth in Exhibit E to this Agreement. However, You will still be able to operate a Westside Pizza® business in the Development Area in those territories for which You are allowed to operate under an active Franchise Agreement. Nothing in this or in any related agreement, however, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document that We furnished to You. If any term of this Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

Article 12 - Notices

12.1 **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 Westside Pizza International Inc.): The Franchise & Business Law Group Attn: Kara K. Martin 222 South Main, Ste 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	



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)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____



EXHIBIT "A"
TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AREA

The Development Area will consist of the following area (map may be attached):

_____.

Our approval of the Development Area or a location is not a guarantee or a warranty of the potential success of
the Development Area or any location.

Area Developer Initial and Date

Franchisor Initial and Date



SCHEDULE "A-1"

MAP OF AREA DEVELOPMENT AREA

Area Developer Initial and Date

Franchisor Initial and Date



EXHIBIT "B"
TO THE AREA DEVELOPMENT AGREEMENT

**FRANCHISE UNIT
DEVELOPMENT SCHEDULE**

Development Period and Term	Minimum Number of Franchise Units to be Opened	Cumulative Total of Franchise Units In the Development Area Open and Operating at End of Each Period
The first 12 months after entering this Agreement	___ Units	___ Units
18 months following opening of first location or 30 months from signing this Agreement, whichever comes first	___ Units	___ Units
18 months following opening of second location or 48 months from signing this Agreement, whichever comes first	___ Units	___ Units
18 months following opening of third location or 66 months from signing this Agreement, whichever comes first	___ Units	___ Units
18 months following opening of fourth location or 84 months from signing this Agreement, whichever comes first	___ Units	___ Units
TOTAL:	___ Units	___ Franchise Units to be open and in operation in the Development Area at the end of the Term

Summary	Number or Amount
Total Units to be Developed	_____
(a) Development Fee for the first Unit	\$30,000
(b) Development Fee per Unit (after the first unit)	\$20,000
Total Development Fee ¹ (Multiply the Development Fee in (b) by the number of Units to be developed plus the amount in (a).)	\$_____

¹ Due upon signing this Agreement.

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 your entity: _____

The state in which your entity was formed: _____

Date of formation: _____

EIN: _____

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.

The names of the officers of the company (please print or type names and add extra lines if necessary):

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: _____
Phone: _____

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 spouse 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. Each Guarantor agrees that upon the death of a Guarantor, the estate of such Guarantor will be bound by the obligations 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	Spouse Signature	Contact Information for Notice
By: _____ Name: _____ Email: _____	By: _____ Name: _____ Email: _____	_____ _____ (if different for spouse, please list spouse's address) _____ _____
By: _____ Name: _____ Email: _____	By: _____ Name: _____ Email: _____	_____ _____ (if different for spouse, please list spouse's address) _____ _____
By: _____ Name: _____ Email: _____	By: _____ Name: _____ Email: _____	_____ _____ (if different for spouse, please list spouse's address) _____ _____

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 the date written on the signature page by WESTSIDE PIZZA INTERNATIONAL INC. ("Franchisor" or the "Company") and the undersigned (individually and collectively, the "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, Franchisor has developed Confidential Information, which Confidential Information includes 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 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.

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 Franchise Businesses, without which information the Franchise Businesses 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 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 Businesses 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. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, including restrictions on disclosure to Personnel and other third parties.

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 Personnel 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 No Reverse Engineering. Principals shall 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 shall not allow, encourage or permit any partner, owner, director, member, manager, agent, Personnel or other person to do so. For purposes of this Agreement, reverse engineering as it relates to the Recipes, Includes 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 shall limit his/her use of the Confidential Information, Including, their recollection of any part of the Recipes and other parts of the Confidential Information, 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 and Confidential Information for any personal use or gain.

3. Non-Competition; Non-Solicitation. 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 thereof, except as permitted under the Area Development Agreement and applicable Franchise Agreements, Principals and each Principal's Immediate Family, shall not directly or indirectly be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a 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. Unless Principal remains a part of a company with an active Franchise Agreement, then upon the Termination of the Area Development Agreement, or a Principal's disassociation from the Development Business and for a continuous, uninterrupted period of two years thereafter, except as permitted by the applicable Franchise Agreements, Principals, and Principals' Immediate Family members, shall not directly or indirectly, be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a Competing Business within the Development Area or within 50 miles of the Area or within 15 miles of the territory or trade area of any System franchise or Westside Pizza® business operation at the time of Termination or Transfer. 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 Development Business has a reach and influence of up to 50 miles, and that such geographical restraint is not unreasonable.

3.3 Non-Solicitation of Customers. Principals shall not, during the term of the Area Development Agreement and for two years thereafter, directly or indirectly, contact any former or then-current customer of a Franchise Business, or any former, then-current customer of Franchisor (with whom the Principal had contact during the term of the Area Development Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way to gather information on that customer but who has not yet done business to be considered an actual customer.

4. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal's violation.

5. Return of Materials. Unless Principal remains a part of a company with an active Franchise

Agreement, 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 shall 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. Non-Disparagement. Principals shall not, during and after the term of this Agreement, make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Franchisor, Franchisor's officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, Franchisor's products and services, or other area developers or franchisees.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 6 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 6 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.

8. 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. Principals acknowledge and agree that the restrictions related to Immediate Family is necessary because a Principal's disclosing the Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement and that it would be difficult for Us to prove whether a Principal disclosed Our Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business.

9. 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 City, Utah.

10. 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.

11. Binding Agreement. This Agreement will bind each parties' respective heirs, personal representatives, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval.

12. 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.

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

14. 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.

15. Prior Disclosures. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement as if such information had been disclosed following the execution of this Agreement.

16. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, e.g., spaces that are not in a bathroom, etc.

[Remainder of page intentionally left blank; signature page follows]



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 written below.

Dated effective as of _____

FRANCHISOR:

WESTSIDE PIZZA INTERNATIONAL INC.

By: _____
(Signature)

Name: _____

Title: _____

PRINCIPALS:

By: _____
(Signature)

Name: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

[Signature Page to Exhibit E -Brand Protection Agreement]



EXHIBIT "F"
TO THE AREA DEVELOPMENT AGREEMENT
STATE SPECIFIC ADDENDA



**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF CALIFORNIA**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. 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 area development agreement contains a provision that is inconsistent with California law, California law controls.
2. The area development 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.)
3. The area development agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
4. The area development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The area development agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah 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 an area development agreement restricting venue to a forum outside the State of California.
6. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
7. 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).
8. The area development agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.



(d) Violations of any provision of this division.

10. Area Development Agreement owners owning 5% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

12. Mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

13. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law

FRANCHISOR:
Westside Pizza International Inc.

AREA DEVELOPER:

By: _____
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 one year and will automatically renew from year to year for a total of two renewal years (three total years under this License Line Agreement), 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. Once fully exercised, You must pay for and enter into a new license line agreement in order to maintain any rights outside of Your Franchise Agreement(s).

(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 any franchise business within the required time after signing the franchise agreement, this Agreement will automatically terminate and You will not have any further rights to develop unless You enter into a new License Line Agreement with Us and pay the required fee.

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 3 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: Rodney Nelson

Title: President

PROSPECTIVE FRANCHISEE:

_____ (entity name)

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 as of _____ by and between **WESTSIDE PIZZA INTERNATIONAL INC.** ("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 _____ 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 _____.

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 crossclaim, 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.

These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect



of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

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. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals 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, 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 City, 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 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 that 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: Rodney Nelson

Title: President

Date: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

PERSONAL GUARANTOR(S):

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

By: _____

Name: _____

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.

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.

Westside Pizza International Inc. is located at 8515 W. Overland Road, Boise, Idaho 83709. Its telephone number is (360) 536-1339.

The issuance date of this disclosure document is March 6, 2025.

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
Jeff Roberts	8515 W. Overland Road, Boise, ID 83709	(360) 820-2233
Jay Capperella	1100 Fulling Mill Lane, Haddon Hts, NJ 08035	(856) 912-2804
Geoff Goodman	1100 Fulling Mill Lane, Haddon Hts, NJ 08035	(856) 912-2804

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller here: _____

I received a disclosure document dated Issuance date: March 6, 2025, that included the following Exhibits:

A	Franchise Agreement, including exhibits and schedules	F	Manual Table of Contents
B	Financial Statements for Westside Pizza International Inc.	G	Area Development Agreement
C	List of Franchisees	H	License Line Agreement (Form)
D	Names and Addresses of State Regulatory Authorities and Agents for Service of Process in States	I	Acknowledgment of Receipt of Completed Agreements
E	State Specific Addenda	J	Release Agreement (Form)

Date: _____ (Do not leave blank)

Title: _____
(if signing on behalf of company)

By: _____ (Signature)

Name: _____ (Print name)

Date: _____ (Do not leave blank)

Title: _____
(if signing on behalf of company)

By: _____ (Signature)

Name: _____ (Print name)

Date: _____ (Do not leave blank)

Title: _____
(if signing on behalf of company)

By: _____ (Signature)

Name: _____ (Print name)

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.

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
Jeff Roberts	8515 W. Overland Road, Boise, ID 83709	(360) 820-2233
Jay Capperella	1100 Fulling Mill Lane, Haddon Hts, NJ 08035	(856) 912-2804
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(if signing on behalf of company)

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Name: _____ (Print name)

Date: _____ (Do not leave blank)

Title: _____
(if signing on behalf of company)

By: _____ (Signature)

Name: _____ (Print name)

Date: _____ (Do not leave blank)

Title: _____
(if signing on behalf of company)

By: _____ (Signature)

Name: _____ (Print name)

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.

