FRANCHISE DISCLOSURE DOCUMENT

MR. GATTI'S OPERATING, LLC
a Delaware limited liability company
550 Bailey Ave., Suite 650
Fort Worth, Texas 76107
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www.mrgattispizza.com

The Mr. Gatti's franchise system consists of two distinct types of Mr. Gatti's Pizza facilities (each defined below, and all collectively referred to as "Mr. Gatti's Pizza Facilities").

The franchise offered in this Franchise Disclosure Document is for a single Mr. Gatti's Delivery and Carry-out Pizza Facility ("Mr. Gatti's DELCO") with a suggested format of +/- 1,200 square feet, but scalable smaller or larger based on your preference and market analysis, and subject to our approval. The Mr. Gatti's DELCO would feature pizza, pasta, wings, and salad available for online, over-the-phone, or in-store menu ordering to be delivered or carried out of the Mr. Gatti's Pizza Facility. Some formats may offer limited dine-in seating. The total investment necessary to begin operation of a Mr. Gatti's DELCO ranges from $195,087.33 to $604,177.69. This includes a non-refundable initial franchise fee of $25,000 and construction oversight fee of $5,000.

We may in certain limited situations offer you the opportunity to sign a Development Agreement to develop multiple Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities in a defined territory according to a development schedule. The development fee is equal to the total of 100% of the initial franchise fee for all Mr. Gatti's Pizza Facilities to be developed.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kyle C. Mann at P.O. Box 470726, Fort Worth, Texas 76147; email: kc.mann@gattispizza.com.

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

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

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

Date of Issuance: April 17, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F 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 Mr. Gatti's DELCO 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 Mr. Gatti's DELCO franchisee?	Item 20 or Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas 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.

MR. GATTI'S OPERATING, LLC
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MR. GATTI'S OPERATING, LLC

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

The Franchisor

In this disclosure document, we refer to the franchisor, Mr. Gatti's Operating, LLC, as "MGOLLC", "Mr. Gatti's", "Gatti's", "we," "us," and "our". We refer to the person interested in buying a franchise as "you" and "your". If you are a corporation, partnership, limited liability company, or other form of entity, various provisions of the Franchise Agreement will apply to your owners. We will describe these as appropriate in this disclosure document.

We trace our roots back to 1969 when the first Mr. Gatti's Pizza restaurant opened in Austin, Texas.

We are a Delaware limited liability company formed on June 17, 2021. We currently do business under our company name, and under the trade names and service marks "Gatti's", "Gatti's Pizza", "Mr. Gatti's", "Mr. Gatti's Pizza", "GattiTown" and the additional marks described in Item 13 of this disclosure document. Our principal business address is 550 Bailey Ave., Suite 650, Fort Worth, Texas 76107. Our agents for service of process are listed in Attachment B to this disclosure document.

We have offered franchises for the operation of Mr. Gatti's FECs and Mr. Gatti's DELCO's (defined below) since November 2021. We have not offered franchises in any other line of business, and do not have other business activities that are not related to the development and operation of restaurants and offer and sale of products and services under the marks (as defined in Item 13).

Our Predecessors, Parents and Affiliates

Our parent and immediate predecessor is Mr. Gatti's Pizza, LLC, a Delaware limited liability company formed on November 5, 2019 ("MGPLLC"). MGPLLC offered franchises for the operation of Mr. Gatti's FECs from November 2019 to November 2021 and also offered franchises for the operation of Mr. Gatti's DELCOs from June 2020 to November 2021. MGPLLC also previously offered franchises for Mr. Gatti's DINEONLYs (a smaller all-you-care-to-eat pizza, pasta and salad buffet) from June 2020 to February 2021. MGPLLC has not offered franchises in any other line of business, and does not have other business activities. MGPLLC assigned all of its assets to us on or about November 12, 2021, including all existing development agreements and franchise agreements in place for all existing franchised Facilities (as defined below). MGPLLC shares our principal business address at 550 Bailey Ave., Suite 650, Fort Worth, Texas 76107.

Our past predecessor is Mr. Gatti's, LP ("MGLP"), a Texas limited partnership that was originally formed as a Texas corporation named Mr. Gatti's, Inc. ("MGI") on October 10, 1974. MGLP offered and sold franchises for certain other types of restaurant and food service businesses that use aspects of the Marks and System (each as defined below) from November 2004 to December 2018. We call these other types of restaurant and food service businesses the Facilities (as further defined below). As noted below, MGLP was merged into MGPLLC on or about November 18, 2019, and is no longer a legal business entity. MGLP's last known address was our principal business address at 550 Bailey Ave., Suite 650, Fort Worth, Texas 76107.

MGLP and certain other formerly related entities filed for bankruptcy protection in January 2019 and were parties to a Plan (defined below) that was confirmed on or about October 17, 2019 and became effective on or about November 18, 2019. After successful completion of the Plan, the bankruptcy was closed on September 30, 2021. See Item 4. As part of the Plan, MGLP and certain other prior Debtors (as defined in Item 4) were merged into MGPLLC on or about November 18, 2019, and MGPLLC accrued to all of

MGLP's assets, including all existing development agreements and franchise agreements in place for all existing franchised.

Our affiliate UrFood Products, LLC, a Delaware limited liability company formed on May 25, 2021 ("UrFood Products") , distributes private label products that are sold at retail, including at company-affiliated and franchised Mr. Gatti's Pizza Restaurants. See Item 8.

Except as noted above, we have no other predecessors, parents or affiliates that offer franchises in any of line of business or that provide products or services to our franchisees.

The Franchise

We grant franchises in this disclosure document for Mr. Gatti's DELCOs. The current suggested format for a Mr. Gatti's DELCO is +/- 1,200 square feet. Mr. Gatti's DELCOs offer pizza, pasta, wings, and salad available for online, over-the-phone, or in-store menu ordering to be delivered or carried out of the Mr. Gatti's Pizza Facility, with some formats offering limited dine-in seating, and operate under the name "Mr. Gatti's Pizza".

This franchise offering is only for Mr. Gatti's DELCOs. We currently offer one other type of Mr. Gatti's Pizza Facility in a separate franchise disclosure document. Mr. Gatti's FECs are larger dining and family entertainment centers (with a suggested format of +/- 12,500 square feet) featuring an all-you-care-to-eat pizza, pasta and salad buffet with menu ordering and appetizer, dessert and which may include beer and wine plus redemption and non-redemption games and amusements that operate under the name "Mr. Gatti's Pizza".

MGPLLC, MGLP and earlier predecessors previously owned, operated and/or franchised several other types of restaurants that use some aspects of the "Mr. Gatti's" or "Gatti's" trademarks and System, and which range from larger dining and entertainment facilities similar to Mr. Gatti's FECs to delivery-only facilities similar to Mr. Gatti's DELCOs. We refer to all of these types of restaurant or food service businesses operating under the Mr. Gatti's name and system, including all Mr. Gatti's FECs and Mr. Gatti's DELCOs, as a "Mr. Gatti's Pizza Facility" or as "Mr. Gatti's Pizza Facilities" in this disclosure document, unless otherwise stated.

As of MGPLLC's last fiscal year ended December 25, 2022, there were a combined total of 68 company-affiliated and franchised Mr. Gatti's Pizza Facilities operating in the United States, which included 18 company-affiliated and franchised Mr. Gatti's DELCOs.

Neither we nor our predecessors MGPLLC and MGLP have ever offered franchises in any other line of business than the types of Mr. Gatti's Pizza Facilities described above.

Franchise Agreement/Development Agreement

You will sign a Mr. Gatti's Pizza Facility Franchise Agreement ("Franchise Agreement") for your Mr. Gatti's DELCO. Our current form of Franchise Agreement is attached as Exhibit C, and is applicable for all types of Mr. Gatti's Pizza Facilities. You will pay the non-refundable initial franchise fee applicable to a Mr. Gatti's DELCO when you sign the Franchise Agreement.

The Franchise Agreement will give you the right to establish and operate one Mr. Gatti's DELCO at a specified location (the "Approved Location"). We will agree not to establish, or allow another Franchisee to establish, a bricks and mortar Mr. Gatti's DELCO from a physical location within an approximately 2 ½ -mile radius, except that in densely populated areas it generally will be a 1-mile radius, of the Approved Location (measured by metes and bounds), but your rights will not extend to other types of Mr. Gatti's Pizza Facilities.

Your Mr. Gatti's DELCO will use our dine-in and delivery business system (the "System") and operate under our trademarks, service marks, logos and other commercial symbols, including "Mr. Gatti's Pizza", any or all of which we may change, improve and further develop (the "Marks").

If you demonstrate multi-unit operating capability or have opened and are operating an existing Mr. Gatti's Pizza Facility successfully under your Franchise Agreement(s), we may offer you the opportunity to sign a Development Agreement ("Development Agreement") requiring you to develop multiple, and in all cases a minimum of 5 unless otherwise agreed to by us, Mr. Gatti's Pizza Facilities which may include Mr. Gatti's DELCOs and potentially multiple different types of Mr. Gatti's Pizza Facilities in a defined area and specifying the number of Mr. Gatti's Pizza Facilities to be developed and opened within a specified period of time. Our current form of Development Agreement is attached as Exhibit B, and is applicable for development of all types of Mr. Gatti's Pizza Facilities. If you sign the Development Agreement, you will pay us a fully earned, non-refundable development fee when you sign the Development Agreement equal to the total of 100% of the initial franchise fees for all Mr. Gatti's Pizza Facilities to be developed under the Development Agreement.

Our other franchisees may operate under agreements that are different from the Development Agreement and Franchise Agreement which are the subject of this disclosure document. We may negotiate the terms and conditions of Development Agreements and Franchise Agreements with franchisees, including the fees and other amounts payable under the Development Agreement and Franchise Agreement.

We will require certain of your current and future Owners (as defined in the Development Agreement and Franchise Agreement) to sign a Guaranty and Assumption Agreement ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Development Agreement and Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. Those of your Owners who are not required to sign the Guaranty will each still be required to sign a Confidentiality and Non-Compete Agreement, with Owner's undertakings, in the form attached to the Development Agreement and Franchise Agreement.

Market and Competition

The services offered by the Mr. Gatti's DELCOs are offered to the general public. The market for these services is developed in some areas and is developing in others. The Mr. Gatti's DELCOs compete with numerous other franchised and company-affiliated restaurants, entertainment, and pizza delivery facilities. The degree of competition you face will depend on many factors, including the location you select for your franchise and your careful adherence to the recommendations we make. However, we believe that various factors distinguish the Mr. Gatti's DELCOs.

The entire network of company-affiliated and franchised Mr. Gatti's DELCOs is customer-driven. All Mr. Gatti's DELCOs use the highest quality food products and our proprietary or branded special recipes, which include our own proprietary or branded ingredients for our pizza and pasta sauces, flour, toppings, and proprietary or branded smoked provolone cheese, all of which are made to our specifications. We believe in a community-based marketing approach and encourage our franchisees to become involved in community service by providing Mr. Gatti's DELCO food products to religious groups, schools, businesses, and non-profit and civic organizations.

Industry Regulation

The restaurant industry is heavily regulated. The U.S. Food and Drug Administration (FDA), the U.S. Department of Agriculture and various state and local health departments administer and enforce laws and regulations that govern food preparation, food service and restaurant sanitation. Also, many of the laws, rules and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, the Immigration and Nationality Act (INA) (Title 8 of the Code of Federal

Regulations) and the Occupation, Health and Safety Act, also apply to Mr. Gatti's DELCOs. Federal, state and local agencies regularly inspect restaurants to ensure that they comply with these laws and regulations.

The Affordable Care Act of 2010 and regulations issued by the U.S. Food and Drug Administration, with compliance effective May 7, 2018 require certain restaurants and other covered establishments to disclose certain nutritional information regarding standard menu items. Certain states and municipalities have similar menu labeling laws that apply to restaurants and other covered establishments.

Other laws have particular applicability to restaurants and other retail foodservice establishments, including food safety and health and sanitation laws. Many states and municipalities also require specific licensure or training in sanitation and safety laws before permitting a restaurant to serve the public.

Recently, some cities have enacted laws that impose specific burdens targeted on restaurants and other retail foodservice establishments that serve foods or beverages that are high in sugar and/or salt. Such cities may require restaurants operating in their jurisdiction to pay additional taxes on the sale of sugar sweetened beverages and/or may require restaurants or other retail foodservice establishments to warn consumers of high-sodium menu items.

Some states and cities also require that restaurants and other retail food establishments provide information to consumers about food allergens.

Many states and cities also regulate foodware and foodservice packaging items. Some cities ban plastic straws and other single-use items. Some states also now require a certain amount of post-consumer recycled content or restrict or prohibit the use of certain types of Styrofoam and plastic. Additionally, state extended producer responsibility laws could ultimately place reporting and other obligations on restaurant chains that distribute branded items.

Additionally, in January 2026, many restaurants will be required to keep certain key data elements when such restaurants receive food that is on the FDA's food traceability list. If a restaurant must keep such key data elements, it must keep the specific data required by FDA and must be able to make such information available to FDA via an electronic sortable spreadsheet.

It is your responsibility to become familiar with your state and local laws and ensure that you are operating within the boundaries of such laws.

If your Mr. Gatti's DELCO is approved to offer alcoholic beverages, you should investigate state laws concerning the sale of alcoholic beverages. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty and cost associated with obtaining a license to sell liquor, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of liquor and its consumption.

2. BUSINESS EXPERIENCE

R.J. PHILLIPS, JR. – Manager

Mr. Phillips has served as our Manager since January 2022 and as Manager of MGPLLC since November 2019. From June 2015 to November 2019, Mr. Phillips served as MGLP's Manager and Non-Executive Chairman of the Board. Since June 2015, Mr. Phillips has also concurrently served as Member and/or Manager for our affiliates that previously operated company-affiliated Mr. Gatti's FECs and/or Facilities. Since April 2015, Mr. Phillips has also served as Manager, Member, Non-Executive Chairman of MGLP's parent Sovrano, LLC, an investment company in Fort Worth, Texas. From April 2012 to December 2013, Mr. Phillips served as Member, Manager, President and Non-Executive Chairman of multi-unit Dairy Queen Franchisee, Vasari, LLC, in Fort Worth, Texas. From October 2004 to present, Mr. Phillips has also

served as Chairman of the Board of Directors, Secretary and President of FundCorp, Inc., a private-equity investment company in Fort Worth, Texas.

KYLE C. MANN – Manager and Vice Chairman

Mr. Mann has served as our Manager and Vice Chairman since January 2022 and as Manager and Vice Chairman of MGPLLC since November 2019. From June 2015 to November 2019, Mr. Mann served as MGLP's Vice Chairman. Since June 2015, Mr. Mann has also concurrently served as Member and/or Manager for our affiliates that operate company-affiliated Mr. Gatti's FECs and/or Facilities. Since April 2015, Mr. Mann has also served as Member and Vice Chairman of MGLP's parent Sovrano, LLC, an investment company in Fort Worth, Texas. From April 2012 to December 2013, Mr. Mann served as Member and Vice Chairman of multi-unit Dairy Queen Franchisee, Vasari, LLC, in Fort Worth, Texas. From October 2004 to present, Mr. Mann has also served as Vice Chairman of the Board of Directors, CFO and Treasurer of FundCorp, Inc., a private-equity investment company in Fort Worth, Texas.

TRAVIS SMITH – Executive Vice President, Chief Marketing Officer

Mr. Smith has served as our Executive Vice President, Chief Marketing Officer since July 2024, as Vice President of Marketing from January 2022 to July 2024 and as Vice President of Marketing of MGPLLC since November 2019. From June 2019 to November 2019, Mr. Smith served as MGLP's Vice President of Marketing. Previously, Mr. Smith served as the Director of Marketing for Gigi's Cupcakes. From 2012 through March 2018, Mr. Smith held several roles in the marketing department of TGI Fridays, Inc. in Dallas, Texas. From 2009 through 2012, Mr. Smith served as a Product Marketing Manager at Blockbuster, Inc. in Dallas, Texas.

MIKE GLENN – SENIOR VICE PRESIDENT OF OPERATIONS

Effective May 18, 2025, Mr. Glenn will be elevated to our Senior Vice President of Operations. From January 2025 to May 2025, Mr. Glenn has served as our Vice President of Operations. From October 2024 to January 2025, Mr. Glenn served as one of our Franchise Business Consultants. From January 2023 to October 2024, Mr. Glenn was actively retired. From January 2022 to January 2023, Mr. Glenn served as our Vice President of Construction and New Store Openings. From November 2019 to December 2021, Mr. Glenn served as a Franchise Business Consultant for our predecessor MGPLLC.

RYAN MORRIS – Senior Vice President, General Counsel

Mr. Morris has served as our Senior Vice President, General Counsel since July 2024, as Vice President of Real Estate and General Counsel from January 2024 to July 2024, as Vice President of Real Estate and Corporate Counsel from August 2023 to January 2024, as our Corporate Counsel from January 2022 to July 2023, and as Corporate Counsel of MGPLLC from November 2019 to January 2022. From September 2019 to November 2019, Mr. Morris served as Managing Attorney of Ryan Morris Legal in Arlington, Texas. From December 2017 to September 2019, Mr. Morris served as a Financial Advisor for Morgan Stanley in Fort Worth, Texas. From February 2016 to December 2017, Mr. Morris served as an Attorney for Legal Aid of Northwest Texas in Fort Worth, Texas.

W. SCOTT MCINTOSH – Vice President of Franchise Development

Mr. McIntosh has served as our Vice President of Franchise Development since January 2022. From July 2020 to May 2021, Mr. McIntosh served as Director of Franchise Development for Ascent Hospitality Management. From January 2016 to April 2020, Mr. McIntosh served as Sr. Director of Franchise Development and Real Estate for Sinelli Concepts International, Inc.

3. LITIGATION

Pending

There are no pending matters against us directly that are required to be disclosed in this Item.

Concluded

There are no concluded matters against us directly that are required to be disclosed in this Item.

Litigation Against Our Predecessors and/or Item 2 Personnel

Three Dough Boys, LLC, Jeff Tisdel and Kenny Starks v. Gatti's Great Pizza, Inc., R.J. Phillips and Kyle C. Mann; Adversary Proceeding #19-04070-elm (filed in In re Sovrano et.al., United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Case Number 19-40067-elm11). On July 19, 2019, a franchisee filed an action in the United States Bankruptcy Court for the Northern District of Texas alleging breach of contract and other causes of action against Gatti's Great Pizza, Inc. and its owners relating to the purchase by the franchisee of 13 former company-affiliated Facilities in September 2018. The defendants denied all allegations and considered them wholly without merit, but to avoid a protracted litigation, on September 5, 2019, the parties reached a settlement without admission of liability whereby the franchisee would receive a total of $200,000 in rent subsidies for the purchased Facilities payable over 10 months beginning in October 2019 (an amount significantly less than projected litigation defense costs) and be allowed to close up to four of the purchased Facilities without incurring liability for liquidated damages.

Litigation Against Franchisees in the Last Fiscal Year

None.

Except for the 1 matter noted above, no litigation is required to be disclosed in this Item.

4. BANKRUPTCY

In re Sovrano et.al., United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Case Number 19-40067-elm11. On January 4, 2019, MGLP and certain then current affiliates, including Sovrano, LLC, Gatti's Great Pizza, Inc., Gigi's Cupcakes, LLC, Gigi's Operating, LLC, Gigi's Operating II, LLC and KeyCorp, LLC (collectively, "Debtors") filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. The Debtors filed in part to restructure certain previously cross-collateralized credit facilities related to the otherwise separate Mr. Gatti's and Gigi's Cupcakes franchise businesses. The case was jointly administered. On or about May 3, 2019, Debtors sold the Gigi's franchise business to a third party. The remaining Mr. Gatti's-related Debtors filed and confirmed a First Amended and Revised Plan for Reorganization on October 17, 2019, which became effective on November 19, 2019. The individual debtor cases were closed through entry of final decree on September 30, 2021. Messer's Phillips and Mann served as Members and Officers of each of the Debtors in the above described bankruptcy case.

Allorco, LLC was a product manufacturer and supplier to former affiliate Gigi's Cupcakes, LLC. Allorco, LLC filed Chapter 7 bankruptcy on February 1, 2019 in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Case Number 19-40445-ELM7. The case was discharged/closed on June 28, 2019. Our Managers Messers. Phillips and Mann were managers of Allorco, LLC during this period.

GGP Mississippi, LLC owned and operated a former Gatti's Pizza restaurant in Hattiesburg, Mississippi that closed on January 12, 2019. GGP Mississippi, LLC filed Chapter 7 bankruptcy on March 20, 2019 in

the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Case Number 19-41119-MXM7. The case was discharged/closed on October 29, 2019. Our Managers Messers. Phillips and Mann were managers of GGP Mississippi, LLC during this period.

5. INITIAL FEES

Initial Franchise Fee. The initial franchise fee for a single Mr. Gatti's DELCO is $25,000. The initial franchise fee is payable in full when you sign the Franchise Agreement, is fully-earned and non-refundable, and is a condition precedent to the Franchise Agreement being effective between you and us.

We may, in our sole discretion, negotiate the amount of the initial franchise fee depending on, among other factors, the number of Mr. Gatti's DELCOs or other types of Mr. Gatti's Pizza Facilities you may already have, if applicable, the geographic area in which you will develop your Mr. Gatti's DELCO or your experience in the restaurant field. In 2023, MGOLLC's then current initial franchise fee was uniformly charged and paid.

Construction Oversight Fee. You will pay to us a construction oversight fee of $5,000. The construction oversight fee is payable in full when you sign the Franchise Agreement, is fully-earned and non-refundable, and is a condition precedent to the Franchise Agreement being effective between you and us. The Construction Oversight Fee is payable as partial reimbursement for our costs associated with your site analysis, site approval, plan reviews and site and construction development updates.

Franchise Agreement Opening Extension Fee. You are required to open your Mr. Gatti's DELCO and commence operations within 12 months after signing your Franchise Agreement (the "Required Opening Date"). If you are behind on development of your Mr. Gatti's DELCO and you believe you will not open your Mr. Gatti's DELCO and commence operations by the Required Opening Date, you may seek a single 6-month extension to open your Mr. Gatti's DELCO and commence operations (the "Extension Date") by requesting an extension in writing at least 60-days prior to the Required Opening Date. Such request must contain an explanation for the delay, an anticipated opening date and payment of an extension fee equal to $10,000 if you have signed a lease or purchase agreement for real property or $12,500 if you have not signed a lease or purchase agreement for real property. You will be granted the extension of the Required Opening Date to the Extension Date if you fully and timely meet all of our extension conditions, but such Extension Date will only apply to the specific Mr. Gatti's DELCO to which the request applied.

Development Fee. If you sign a Development Agreement that permits you to develop multiple Mr. Gatti's Pizza Facilities, you must pay us at the time you sign the Development Agreement a non-refundable amount equal to the total of 100% of the initial franchise fees applicable for all types of Mr. Gatti's Pizza Facilities to be developed. The development fee is payable in full when you sign the Development Agreement, is non-refundable and is a condition precedent to the Development Agreement being effective between you and us.

Development Agreement Extension Fees. You are required to open each Mr. Gatti's Facility and commence business in accordance with the timelines set on the Development Schedule If you are behind on development of your Mr. Gatti's DELCO and you believe you will not open your Mr. Gatti's DELCO and commence operations by end of the Development Period, you may seek up to two separate 6-month extensions of the Development Period commencing on the expiration of the applicable Development Period, including any previous extensions if any ("Extension Date") by requesting an extension in writing at least 60-days prior to the end of the Development Period. Such request must contain an explanation for the delay, an anticipated opening date and payment of an extension fee equal to $10,000 if you have signed a lease or purchase agreement for real property or $12,500 if you have not signed a lease or purchase agreement for real property. You will be granted the extension of the Development Period to the Extension Date if you fully and timely meet all of our extension conditions, but such Extension Date will only apply to the specific Mr. Gatti's DELCO to which the request applied. If an extension is requested in the final

Development Period, the term of the Development Agreement will be extended to the Extension Date, and you will have no further rights under the Development Agreement.

Pre-Opening Marketing Expenditure. In addition to any other advertising obligations, pursuant to an opening advertising expenditure and marketing plan created by you and us, at least 60 days prior to opening your Mr. Gatti's DELCO, you will pay to us a fully-earned, non-refundable $7,500, which we will use to direct the promoting, marketing, and advertising of the pre-opening of your Mr. Gatti's DELCO. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $7,500 you pay to us for this marketing expenditure. Your failure to comply with the requirements of this section, either in failing to create a grand opening advertising expenditure and marketing plan or depositing with us the amount stated in this section, will constitute a default, exercisable in our discretion, under your Franchise Agreement.

Grand Opening Marketing Expenditure. In addition to any other advertising obligations, pursuant to an opening advertising expenditure and marketing plan created by you and us, you must spend at least $3,750 on advertising and promoting your Mr. Gatti's DELCO, beginning on opening day through the first 90 days of your Mr. Gatti's DELCO. You are required to submit to us any marketing plans and samples of all advertising and promotional materials not prepared or previously approved by us. We reserve the right to audit your expenditures under this section. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $3,750 you spend for this marketing expenditure. Your failure to comply with the requirements of this section, either in failing to create a grand opening advertising expenditure and marketing plan or spending the amount stated in this section on such plan, will constitute a default, exercisable in our discretion, under your Franchise Agreement.

6. OTHER FEES

Name of Fee (Note 1)	Amount	Due Date	Remarks, Definitions or Caveats
Royalty Fee	5% of the Mr. Gatti's DELCO's Gross Sales (Note 2.b.)	On or before the 3rd business day of each week for the preceding week. (Note 2.a.)	See Note 2.b. for definition of Gross Sales. You must pay the royalty fee by electronic funds transfer. We will initiate an ACH debit weekly. You will have no right to review or audit our usage of the Royalty Fee.
Media and Local and Regional Advertising Minimums	Currently, 2% of Gross Sales; Maximum, 3% of Gross Sales	Reported quarterly; spent on an annual basis	Currently, at least 2% of Gross Sales must be spent on Media and on Local and Regional Advertising. If we increase the Media and Local and Regional Advertising minimum to 3% of Gross Sales, at least 2% of Gross Sales must be spent on Media and at least 1% of Gross Sales must be spent on Local and Regional Advertising. (Note 3) You may take certain credits against your Media and/or Local and Regional Advertising minimums (Note 4).
Cooperative Advertising	Currently, none Maximum - 4% of Gross Sales, as determined by the cooperative's governing documents.	As per the Cooperative's governing documents.	If we authorize a Cooperative for your market area, you must participate in it. You may credit this contribution against your Local Advertising and/or Media Requirement. (Note 4) You may also contribute in excess of the required amounts.

Name of Fee (Note 1)	Amount	Due Date	Remarks, Definitions or Caveats
Customer Feedback Fees and Costs/Mystery Shopper	For Voice of the Customer – Currently none, but if incurred the per visit charge or cost we incur. For Mystery Shops – Currently none, but if incurred the per visit charge or cost we incur.	On demand.	We currently use a customer feedback program called "Voice of the Customer". We do not currently allocate any costs for the Voice of the Customer Program to the franchisees but reserve the right to do so in the future. (currently $25 per Mr. Gatti's Pizza Facility per month), or whatever portion of that per Mr. Gatti's Pizza Facility per month charge we choose to allocate to the franchisee We do not currently have a mystery shop program, but we reserve the right to implement a mandatory or voluntary mystery shop program and charge you a pro rata rate to participate. Customer feedback may be submitted via www.gattiscares.com. Customer feedback is managed internally, and there is no associated charge.
Food Safety Audit	The per-charge visit that we incur, if we elect to charge you for the audit.	On demand	We currently have annual food safety audits performed by a third-party vendor. For restaurants whose annual visit results in a High-Risk score, follow up visits (second visits or more to a location) will be paid by the franchisee at the vendor's regular rate, plus an administrative fee).
Non-Compliance Fees	$1,000 to $4,000 per contractual deviation or default.	When billed.	Due if you deviate from any contractual requirement, including any System Standards. Non-Compliance Fees compensate us for administrative and management costs, not for our damages due to your default. The fee is $1,000 for the first violation, $2,000 for the first repeat violation, and $4,000 for second and each subsequent repeat violation on one or more consecutive, subsequent visits to your Mr. Gatti's Pizza Facility. Contractual requirements may include failure to report, failure to provide evidence of insurance, failure to pay monies, and other types of operational defaults.
Pre-opening	$7,500	On demand and no later than 60-days prior to opening	Payable to us to direct the promotion, marketing, and advertising of the pre-opening of your Mr. Gatti's DELCO. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $7,500 you pay to us for this marketing expenditure.
Grand Opening	$3,750	When billed by third party suppliers.	To be spent on advertising and promoting the Grand Opening of your Mr. Gatti's DELCO, beginning on opening day through the first 90 days of opening. We make no guarantees that

Name of Fee (Note 1)	Amount	Due Date	Remarks, Definitions or Caveats
			you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $3,750 you spend for this marketing expenditure.
One-Year Anniversary	$3,750	When billed by third party suppliers.	To be spent on advertising and promoting the one-year anniversary of your Mr. Gatti's DELCO. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $3,750 you spend for this marketing expenditure.
Marketing Development Fund	2% of Gross Sales	At the time and in the manner that royalties are paid.	Contributions are used to develop sales and marketing tools, and public relations for the system. (See Item 11). These contributions are in addition to your Media and Local and Regional Advertising minimums. We have established, and may, at our option, continue to operate the Mr. Gatti's Marketing Development Fund, which is funded by contributions from all types of Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System, although we may create one or more separate Marketing Development Funds for different types of Mr. Gatti's Pizza Facilities at our discretion. You will have no right to review or audit our usage of the Royalty Fee.
Media Fund	Currently, 0% of Gross Sales Maximum – 2% of Gross Sales	At the time and in the manner that royalties are paid.	We may create one or more separate Media Funds for Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities but have no obligation nor intention to do so at this time. MGLP previously had a Media Fund, but MGLP terminated it in August 2019.
Technology Fee	An amount we set at the beginning of each calendar year based on our then current estimated technology costs. The current Technology Fee is $25 per calendar week per Mr. Gatti's Pizza Facility; but we may make annual adjustments to the Technology Fee up to $100 per week per Mr. Gatti's Pizza Facility.	At the time and in the manner that royalties are paid.	The Technology Fee is for technology-based innovation expenditures that we deem valuable investments for the System, which may include third-party technology subscriptions, website design and functionality costs, digital and mobile sales hardware and software, cloud-based franchise-management solutions and IT support and database. We are not obligated to ensure that Technology Fee expenditures are proportionate or equivalent across multiple geographic areas or that any Mr. Gatti's Pizza Facility will benefit directly or proportionately to its Technology Fee payments.

Name of Fee (Note 1)	Amount	Due Date	Remarks, Definitions or Caveats
			You will have no right to review or audit our usage of the Royalty Fee.
Training	Our then-current hourly fee (currently $200).	On demand	Initial management training at Mr. Gatti's support center training facility or at a different approved training restaurant is provided at no additional charge, but we may charge our then-current hourly fee for training additional, successor or replacement personnel, and for additional training programs. Transfer fees exclude any training fees, so it is likely that transferees will incur some incremental costs for training. You must pay all expenses of your personnel incurred in any initial or additional training, including, the costs of travel, lodging, meals and wages.
Audit	Costs of audit	When billed	Payable only if our audit shows understated royalties of 2% of Gross Sales.
Additional Pre-Opening and Opening Assistance	Our then-current hourly fee, currently $50 per hour (with a four-hour minimum), and a $200 per diem.	On demand	For your first Mr. Gatti's DELCO, we provide pre-opening and opening assistance at no additional charge as follows: 2 to 5 people for 14 days. For additional DELCO openings, we provide pre-opening and opening assistance per location at no additional charge as follows: • Second opening: 2 to 5 people for 14 days • Third opening: 1 to 3 people for 14 days • Fourth opening: 1 to 2 people for 14 days We may charge you an hourly fee, currently $50 per hour (with a four-hour minimum), and a $200 per diem for any pre-opening and opening assistance that we provide for any DELCO openings after your fourth opening. We may charge you an hourly fee, currently $50 per hour (with a four-hour minimum), and a $200 per diem, for any pre-opening and opening assistance that exceeds 14 days.
Advertising Material	Our reasonable expenses	On demand	We may charge a reasonable fee to cover the cost of producing ad hoc local advertising and promotional materials.
Information Technology Support and Service	Our hourly fee in place at the time maintenance is needed (currently $50 per hour with a four-hour minimum and $200 per diem if necessary), or in some cases, the monthly fee if a maintenance and support contract is agreed upon	On demand, or in accordance with support contract terms	Your point-of-sale system provider should be your primary source of support and maintenance. Our information technology staff will provide you with technical support and service with certain hardware and software systems on an hourly fee basis, or on a contractual basis, subject to availability and expertise.

Name of Fee (Note 1)	Amount	Due Date	Remarks, Definitions or Caveats
Handling and Administration	Currently, our costs plus 5%	On demand	Payable if we order equipment or supplies for your Mr. Gatti's DELCO. We may in our sole discretion order equipment or supplies for franchisees and as such will assess these additional fees accordingly. All equipment or supplies must be obtained through our pre-approved distributors, vendors and other suppliers. We will provide you with contact information for these suppliers.
Interest	Lesser of 18% or maximum legal rate on late payments	On demand	Payable only if payments are late.
Enforcement Costs	Will vary depending on circumstances	On demand	Payable only if we incur fees and costs to enforce the Franchise Agreement.
Indemnification	Will vary depending on loss	On demand	You must indemnify us if we incur losses arising out of the operation of your business, which includes but is not limited to any and all expenses expend to take charge of the disposition of the matter and defend any claims made against us or any Indemnitee. (See Item 9)
Product/Supplier Approval	Our reasonable expenses	On demand	Payable only if you want to use products or suppliers we have not yet approved.
Additional Inspections	Our reasonable expenses including wages	On demand	Payable only if our regular inspections (at no charge) uncover breaches of the Franchise Agreement which you fail to correct.
Franchise Agreement Opening Extension Fee	$10,000 if you have signed a lease or purchase agreement for real property; or $12,500 if you have not signed a lease or purchase agreement for real property	Upon written notice and request for extension by you to us.	Payable only if you provide written notice and request an extension of the Required Opening Date to open your Mr. Gatti's Facility.
Development Agreement Extension Fee	$10,000 if you have signed a lease or purchase agreement for real property; or $12,500 if you have not signed a lease or purchase agreement for real property	Upon written notice and request for extension by you to us.	Payable only if you provide written notice and request an extension of the Development Period to open your Mr. Gatti's Facility.
Transfer Fee	50% of the initial franchise fee in place at the time of the transfer. $5,000 if the transfer is for convenience of ownership, among existing owners, or to an Immediate Family member.	Before transfer	There is no transfer fee if the transfer is as a result of the exercise of our right of first refusal.
Renewal Fee	50% of the initial franchise fee in place at the time of the transfer.	On or before renewal date	Payable only if you elect to renew your Franchise Agreement
Relocation Fee	50% of the initial franchise fee in place at the time of the transfer	Before we approve a relocation	Payable if you ask and we permit you to move your Mr. Gatti's DELCO.

Name of Fee (Note 1)	Amount	Due Date	Remarks, Definitions or Caveats
Securities Offering Fee	$5,000 plus costs	On demand	Payable if you offer securities in you, publicly or privately, and we review your offering materials.
Liquidated damages (Development Agreement)	For violation of the confidentiality and/or non-competition covenants, liquidated damages equal to the greater of (i) $600 per day, or (ii) an amount equal to the per diem royalty, Marketing Development Fund and Media Fund contributions (if any) payable by you or the one-year period immediately preceding the violation or breach, multiplied by the number of days the violation or breach is continuing. If our Confidential Information is released to a competitor, you will pay 150% of the amount described above.	On demand	
Liquidated damages (Franchise Agreement)	For early termination, liquidated damages calculated according to the formula in the Franchise Agreement (See Remarks). For violation of the confidentiality and/or non-competition covenants, liquidated damages equal to the greater of (i) $600 per day, or (ii) an amount equal to the per diem royalty, Marketing Development Fund and Media Fund contributions payable by you or the one-year period immediately preceding the violation or breach, multiplied by the number of days the violation or breach is continuing. If our Confidential Information is released to a competitor, you will pay 150% of the amount described above.	On demand	For early termination, the liquidated damages you will pay are equal to the sum of (i) the annual average of your Fund Contribution over the past 2 years, plus (ii) the annual average of the monthly royalty fees theretofore payable to us over such 2 years, times (iii) one-half the number of months which remain in the initial term (or renewal term if applicable). If your Mr. Gatti's DELCO has not been operating for at least 2 years, the amount of liquidated damages will be the greater of (x) the average of the monthly royalty fees and Fund Contributions payable by you to us for the period during which the Mr. Gatti's DELCO has been in operation, or (y) the average monthly royalty fee and Fund Contributions for the previous 12 months for all your Mr. Gatti's DELCOs operating under the System, multiplied by one-half the number of months which remain in the initial term of your Franchise Agreement.
Returned Check Charge	Prevailing rate	On demand	Payable only if you pay us by check and your check is returned for any reason.
Audit Fees	Cost you negotiate with your independent certified public accountant	Yearly	Within 90 days after the end of each fiscal year, you must provide us with unaudited financial statements prepared by an independent certified public accountant that is satisfactory to us.

Note 1: All fees and expenses in this Item 6 are fully-earned and non-refundable and, except as otherwise indicated in the preceding chart, are imposed by, and are payable to, us. Unless otherwise stated, these amounts may be subject to increases based on changes in market conditions, the cost of providing services and future policy changes. We currently have no plans to increase any payments we control, except as mentioned in the table above. You must pay royalties by electronic funds transfer, and we may require you to pay other amounts due under the Franchise Agreement by electronic funds transfer.

Note 2: a. For this purpose, the term "week" means the period beginning with the start of business on Monday and ending at the close of business on the following Sunday (or if the Mr. Gatti's DELCO is not open on a particular Monday, the immediately preceding business day). We have the right to designate in writing any other period of not less than seven days to be a "week" under the Franchise Agreement.

b. "Gross Sales" means all revenue from the sale of products or services (including delivery services) sold in or from the Mr. Gatti's DELCO or from the operation of the Mr. Gatti's DELCO, whether by cash, check, credit card or other credit transactions, including, all revenues from the sale of food and beverage items and from vending machines, coin or token-operated amusement devices, games, legal gaming devices (excluding that portion of any revenue directly collected and retained by a governmental authority pursuant to state statutory or regulatory procedures), pay telephones and game cards. No deductions may be made for game vendors' or operators' percentages or any other reason. However, Gross Sales excludes all federal, state or municipal sales, use, excise or service taxes collected from customers and paid to the appropriate taxing authority.

Note 3: "Media" means the direct costs of purchasing advertising time on television, radio, outdoor billboard or transit and digital tools (includes but not limited to web banners, search, e-blasts and social media). It does not include cost of creation or production.

Note 4: Permitted credits against your Media and Local and Regional Advertising minimums include: (i) the direct expenses of your Marketing Director, up to $50,000 annually; (ii) grand opening costs as approved in writing by us in our sole discretion, (iii) cooperative contributions, up to 4%, and (iv) Media Fund contributions, if any, up to 2%. Media Fund contributions, cooperative contributions spent on Media, and grand opening costs spent on Media may be credited against your Media and Local and Regional Advertising minimums as approved by us in our sole discretion.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

MR GATTI'S DELCO
(Note 1 and 2)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Reimbursement for Site Evaluation Analysis	Varies (Note 3)		(Note 3)	(Note 3)	Us
Real Estate and Site Improvements	(Note 4)		(Note 4)	(Note 4)	(Note 4)
Construction Costs (Note 4)	$50,000.00	$356,000.00	As negotiated	As negotiated	Various suppliers
Furniture, Fixtures, and Equipment Package (Note 5)	$55,442.33	$111,200.00	Lump sum	Before opening	Various suppliers

IT Equipment and Point-of-Sale Systems (including music servicing fees such as ASCAP)	(Note 6)				Approved POS vendor(s)
Interior and Exterior Artifacts and Graphics/Signage	$9,800.00	$15,977.69	Lump sum	Before opening	Various suppliers
Architectural Fees (Note 7)	$2,000.00	$20,000.00	As negotiated	Before opening	Architect
***SUBTOTAL for Capital Items Only**	**$117,242.33**	**$503,177.69**			
Initial Franchise Fee and Construction Oversight Fee	$30,000 (Note 8)		(Note 8)	(Note 8)	Us
Insurance Coverage	As negotiated with your carrier (Note 9)		As negotiated between you and your carrier	As agreed between you and your carrier	Insurance carrier
Initial Training Cost	$5,000.00	$10,000.00	As negotiated	Before opening	Hotel, wages, meals and travel of trainees
Initial Advertising and Grand Opening	$15,000		As negotiated	In accordance with the Pre-Opening, Grand Opening, and One-Year Anniversary Marketing Expenditures plan as created by you and us.	Us or Various media and third-party suppliers
Beginning Inventory (including paper products)	$14,145.00	$15,000.00	Lump sum	Before opening	Various third-party vendors
Change Fund	$1,400		Lump sum	Before opening	Maintained in Mr. Gatti's DELCO
Pre-Opening Labor	$2,000.00	$9,600.00	As negotiated	As incurred	Your employees
Additional Funds 3 months (Note 10)	$10,300.00	$20,000.00	As negotiated	As incurred	Employees, vendors, suppliers, etc.
TOTAL FOR A SINGLE MR GATTI'S DELCO FRANCHISE AGREEMENT (Note 11)	**$195,087.33**	**$604,177.69**			
Development Agreement					
Development Fee (Note 12)	$125,000	$250,000	Cashier's Check or EFT as arranged	Upon Signing Development Agreement	Us
Additional Funds – 3 months (Note 13)	$1,000	$1,500	As Arranged	As Necessary	You Determine
TOTAL FOR AN AREA DEVELOPMENT AGREEMENT	**$126,000**	**$251,500**			

Note 1: The Item 7 Estimated Initial Investment Chart is based on three Mr. Gatti's DELCOs opened within the 2024 fiscal year. The three Mr. Gatti's DELCOs are located in Temple, Texas; Waco, Texas; and Fort Worth, Texas. In all three cases, each location is a second-generation restaurant space. In

the case of the Waco, Texas location, the location is a second-generation pizza delivery/carry-out location, which allowed the franchisee to construct and build out the intended space for a Mr. Gatti's DELCO facility with minimal construction expense. As provided in Note 4 below, the cost estimates provided in the Item 7 chart do not include purchase costs of land or building, nor do the cost estimates include any Tenant Improvement Allowance provided to the Franchisees.

Note 2: Unless otherwise stated, none of the expenses described in this chart are refundable. These costs are based on amounts provided by the Franchisee, and are based on the purchase of new and used equipment and furnishings for the Mr. Gatti's DELCO. Your actual costs may, and likely will, vary materially depending on a number of factors that cannot be quantified or assumed in this chart, including but not limited to, the actual size of the Mr. Gatti's DELCO you construct, your geographical location, your market, whether you purchase new or used equipment, furniture and/or fixtures, the amount of time spent constructing your Mr. Gatti's DELCO, various uncontrollable economic factors, and other factors and circumstances. Costs exclude any favorable financial impact of tenant improvement allowances received from landlords/developers. Your local market conditions may, and likely will, be different, including local construction activity and your local building and other codes. You should use these charts only as a guide for estimating the specific budget requirements for your Mr. Gatti's DELCO. You should obtain the advice of a CPA and other professionals to develop accurate budget estimates, based on local knowledge, for your specific site.

Note 3: See Item 5 regarding Site Evaluation Analysis.

Note 4: THESE ESTIMATES DO NOT INCLUDE REAL ESTATE OR SITE IMPROVEMENT COSTS, OR ANY TENANT IMPROVEMENT ALLOWANCE PROVIDED BY YOUR LANDLORD. Mr. Gatti's DELCOs may be free-standing buildings or may be located in strip shopping centers. Because the actual size, design and layout of Mr. Gatti's DELCOs may, and likely will, vary according to the site selected and market conditions, we cannot estimate your real estate acquisition and site improvement costs. Site improvement costs include, among other costs, the cost to construct a building and parking lot (if applicable) and exterior site work.

Note 5: Construction costs include, among other costs, the construction of interior and demising walls, electrical, plumbing, flooring and millwork. Among other factors, local labor costs and other local conditions will affect your construction costs.

Note 6: This estimate includes the cost of initial kitchen equipment (including ovens), TVs, chairs, tables, furniture, smallwares, etc. The range provided covers the costs of these items purchased new or used, but not financed.

Note 7: You must lease all point-of-sales registers, back-office computers, kitchen display systems, online ordering/event management setup costs, associated software licenses and related systems through our approved providers. Your total price will vary after assessment of needs. Because your equipment costs may vary according to an assessment of your needs, we cannot estimate your IT Equipment and Point-of-Sale Systems costs.

Note 8: These costs are estimates only. Your actual costs will vary materially depending on the actual size of the Mr. Gatti's FEC you construct and other factors such as your geographical location, your market, and other facts and circumstances. Costs exclude any favorable financial impact of tenant improvement allowances received from landlords/developers. Your local market conditions may be different, including local construction activity and your local building and other codes.

We will provide you with design criteria information which should assist you, your architect and engineers in preparing building plans for your restaurant. We will not prepare building plans for you but will make available prototypical design intent plans for Mr. Gatti's DELCOs. If you use these plans, you must, at your

expense, conform them to local, state and federal laws and building code requirements, including the Americans with Disabilities Act.

The building plans must be full architectural, structural, mechanical, electrical, plumbing, final site and grading plans and food service drawings showing equipment layout, manufacturer and model numbers and bearing the seal of a registered architect in the state where your restaurant will be located. You must submit your building plans for our approval before you begin construction in accordance with the process outlined in Section III.C. of the Franchise Agreement.

Note 9: See Item 5 for a complete description of the initial franchise fee amounts payable under the Franchise Agreement.

Note 10: Premium costs vary widely by geographic location and size of the Mr. Gatti's DELCO, and we make no representation regarding the total annual premiums you will have to pay. Premium payments will not normally be refundable unless you and the insurer agree otherwise.

Note 11: You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the royalty and other related fees described in Item 6 of this disclosure document. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.

Note 12: These figures are estimates, and we cannot assure you that you will not have additional expenses starting your Mr. Gatti's DELCOs. Your actual costs will depend on factors like your management skills, experience and business acumen; time of year you open; local economic conditions; the local market for the Mr. Gatti's DELCO's services and products; the prevailing wage rate and competition. You should calculate your estimated expenses for these items based on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on MGPLLC's and MGLP's years of experience to compile these estimates. You should review these figures carefully with your business advisor.

Note 13: If you sign a Development Agreement that permits you to develop multiple Mr. Gatti's Pizza Facilities, you must pay us at the time you sign the Development Agreement an amount equal to the total of 100% of the initial franchise fees for all types of Mr. Gatti's Pizza Facilities to be developed. For purposes of the Item 7 investment and for illustrative purposes, the low reflects development of the minimum amount of 5 Mr. Gatti's DELCOs and the high reflects development of 10 Mr. Gatti's DELCOs.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To achieve our goals of enhancing the customer experience, generating repeat business and remaining competitive, all Mr. Gatti's DELCOs must maintain the highest degree of quality and service. You must comply with our standards and specifications for all supplies, materials, fixtures, furnishings, equipment and other products used in or offered for sale at the Mr. Gatti's DELCO. If we have designated or approved suppliers for any item, you must obtain the item from our designated or approved suppliers. You generally have no obligation to purchase or lease from us, or from our affiliates, any of the products, services, supplies, fixtures, equipment, inventory or real estate used in establishing or operating your Mr. Gatti's DELCO, except as described below. We may in the future designate ourselves or our affiliates as approved suppliers (including the sole approved supplier) of any item.

None of our officers currently own an interest in any of our suppliers.

Designated Suppliers. We have third-party sources for the required point-of-sale system and software.

Point-of-Sale System Hardware and Software

You must purchase or lease point-of sale-system hardware and software for your Mr. Gatti's DELCOs from a designated and approved vendor. See Item 11.

Music Service Licenses

You must obtain licenses and pay licensing fees for all music played in your Mr. Gatti's DELCO, including with ASCAP, BMI and other companies.

Beverages

You must purchase or lease beverages and related equipment for your Mr. Gatti's DELCOs only from approved, designated vendors. We may designate a sole supplier for all or a portion of our beverage needs. We have currently designated Coca-Cola and Dr. Pepper as the sole suppliers for fountain drinks, related equipment and certain other bottled beverages for your Mr. Gatti's DELCOs. You will be required to purchase your fountain drinks, related equipment and certain other bottled beverages from Coca-Cola and Dr. Pepper, and you may be required to sign a participation agreement. We may require you to refrain from purchasing and selling other beverage products in your Mr. Gatti's DELCOs, but we may also permit other beverages to be sold in certain Mr. Gatti's DELCOs in our sole discretion. We reserve the right to change beverage suppliers from time to time in our sole discretion and you must comply with our beverage requirements if and when a change occurs.

Community Coffee is currently our sole supplier for coffee and iced tea.

Purchases from Approved Suppliers. You must purchase or lease the following items solely from approved suppliers. Approved suppliers are those who demonstrate the ability to meet our then-current standards and specifications, who possess adequate quality controls and the capacity to supply your needs promptly and reliably, that we have approved in writing and that we have not later disapproved.

Proprietary or Branded Products. We have developed, or have had developed, for use in the Mr. Gatti's DELCOs certain private label and special recipe products. These products include our pizza cheese, pizza, spaghetti and marinara sauces, dough pre-mixes, meat toppings, dessert toppings, meats, breads and salad dressings. Because the quality and uniformity of these products are so important, you must purchase these products only from approved suppliers or approved distributors. We may also develop other products like this in the future. We do not directly supply any of these products to you but reserve the right to do so in the future.

In 2021, MGPLLC contracted with a third-party manufacturer to produce and bottle our proprietary or branded ranch dressing for retail sales. In the same year, the manufactured bottles of our proprietary or branded ranch dressing were made available on our website and through Amazon for direct sales to our customers, as well as for distribution to franchisees through our supply chain providers allowing all franchisees to purchase, offer and sell bottles of our proprietary or branded ranch dressing at retail in their Mr. Gatti's Pizza Facilities. At this time, we are not requiring franchisees to take part in this product offering; but franchisees may purchase these items through their approved distributor and offer and sell these items for retail sale in their Mr. Gatti's Pizza Facilities. We sell these products to our approved distributors at a markup of our cost. We reserve the right in the future to require all franchises to purchase, offer and sell bottles of our proprietary or branded products at retail in their Mr. Gatti's Pizza Facilities. We may expand this in-store retail program to other proprietary or branded products in the future, and may further expand the program to non-Mr. Gatti's Pizza Facility retail locations.

Equipment, Fixtures, and Signage. You must install in and about your Mr. Gatti's DELCO only such equipment (including, food and beverage preparation equipment, storage and display cabinets, fixtures, furnishings, furniture, computer hardware and software, interior and exterior signs, and other personal property) which strictly conforms to our standards and specifications. After you sign the Franchise Agreement, we will furnish you a list of equipment, fixtures, signs and other items to be used in your Mr. Gatti's DELCO. You must purchase these items from our approved manufacturers .

Food Products. All food products used in or sold from the Mr. Gatti's DELCO must meet our standards and specifications and must be purchased from our approved distributors.

Other Items. In addition to the above, we have approved suppliers for other items, for example, various equipment items. You must purchase these items only from approved suppliers.

Purchases in Accordance with Standards and Specifications. All other items used in or sold from the Mr. Gatti's DELCO must meet our standards and specifications. These include the following:

Site Selection and Construction. You must locate a site for the Mr. Gatti's DELCO that satisfies our site selection requirements. You must also obtain our acceptance of the site before you acquire it and our approval of any contract of sale or lease for the premises before you sign it. We will not approve any lease unless you and the landlord sign an addendum to the lease that provides substantially the same terms contained in Attachment 3 to the Franchise Agreement. You must adapt our prototypical design plans as needed for your Mr. Gatti's DELCO. We have the right to review your plans and must notify you of any objections within 30 days after we receive your plans. If we do not notify you of any objections within that time, you may use the plans. If we do object within the 30-day time period, you may not use the plans. Any objections we make will include a reasonably detailed list of changes that you must make for the plans to be acceptable. We will notify you within 30 days after we receive your revised plans if they are acceptable. If we do not object to your revised plans within the 30-day period, you may use the revised plans.

Uniforms. Personnel in all franchised and company-affiliated Mr. Gatti's DELCOs must wear standard uniforms. If you wish, we may, at our option, order uniforms for your personnel at your expense from the supplier we use to supply uniforms for your Mr. Gatti's DELCOs. We did not order and re-sell uniforms for any franchisees in our last fiscal year. If you wish to purchase uniforms from another supplier, we must approve the supplier before you make any purchases.

Logoed Items. We will furnish you an opening order list specifying the paper products and other logoed items you must use in your Mr. Gatti's DELCO. We have approved suppliers from whom you may obtain these paper products and other items that bear our Marks, or you may purchase these items from any supplier of your choice if you satisfy our specifications. We are not currently a direct supplier of these items.

Displays and Decorations. We may, periodically, initiate sales promotion programs requiring you to use displays and decorations. We will approve 1 or more suppliers of displays for decorations to be used in these programs. You may purchase approved decorations and displays from other suppliers if the decorations and displays meet our design specifications.

Gift Card and Similar Programs. You must participate in any gift certificate, voucher or card program we establish, and honor any such gift certificates, vouchers or cards presented at the Mr. Gatti's DELCO. You must participate in any online ticket purchasing program we establish through our website or through any third-party website, and honor any tickets purchased online for movies at the Mr. Gatti's DELCO. You may not create or issue your own gift cards or vouchers unless we expressly permit you to do so in writing. See Item 11.

Third-party Ordering and Delivery Services or Methods. We do not currently have a mandatory third-party ordering and delivery service program, but we may institute one in the future and if we do then you must participate in such mandatory third-party ordering and delivery service program by contracting with such designated third-party provider(s) and by providing third-party delivery service within your Designated Delivery Area under the program. If you wish to use a third-party delivery service not already designated and approved by us, you must request and receive our approval of such third-party delivery service provider prior to using and contracting with such third-party provider. You are further required to ensure that any third-party delivery service providers provide us with third-party delivery sales data on a weekly basis, and in all cases you will pay royalties on such sales.

Advertising and Promotional Materials. All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional plans and materials before you use them if we have not prepared them or previously approved them. You must submit any unapproved plans and materials to us. If you do not receive written notice that we have disapproved the materials within 15 business days, you may use them, but we may subsequently withdraw our approval. You must promptly discontinue using any advertising or promotional plans or materials, whether or not we have previously approved them, if we notify you to do so.

Insurance. You must purchase and maintain at your own expense liability insurance at minimum amounts we set, but not less than $1,000,000 per occurrence, or a higher amount that we may in the future require of similarly situated franchisees or that a lessor of your Mr. Gatti's DELCO premises may require. The insurance coverage must start on the earlier of the date you begin operating the Mr. Gatti's DELCO or the date your site is approved and must continue through the later of the date your franchise agreement expires or the date the Mr. Gatti's DELCO closes. You must place your insurance with carriers that are highly rated by A.M. Best, Moody's, Standard & Poor's, or Fitch and as otherwise approved by us. You must provide us with certificates of all required insurance. You will be required to name us as an "additional" insured or loss payee, or to otherwise protect our interests under your policies of insurance. The types of coverage include:

(1) Employer's liability with limits of $2,000,000 per occurrence;
(2) Workers' compensation insurance per statutory limits;
(3) Comprehensive general liability insurance covering product liability and completed operations of the Franchised Business with limits of $1,000,000 per occurrence and $2,000,000 in the aggregate;
(4) Automobile liability of not less than $1,000,000 per occurrence, including hired and non-owned automobiles or a higher amount that we may in the future require;
(5) Business interruption insurance of not less than twelve (12) months of income for all loss sustained, including loss of rents and franchise fees; and
(6) Fire and extended coverage insuring the contents of the Premises of not less than replacement value.
(7) [For Mr. Gatti's DELCOs that serve beer and wine, and/or other hard alcohol (if approved in writing by us)] Liquor Liability Insurance (Dram Shop Insurance) with limits of $1,000,000 per occurrence and $2,000,000 in the aggregate.

If you do not procure and maintain the required insurance coverage, we may procure insurance coverage for you and charge the cost to you, together with a reasonable fee for our expenses in doing so, payable by you immediately upon notice.

Vehicles. Any vehicle you use in the operation of your Mr. Gatti's DELCO must meet our image and standards. You must place the signs and other decor items we require on the vehicle and keep it clean and in good working order at all times. You cannot use anyone to operate the vehicle who is under 18 years old, or who does not have a valid driver's license in the state in which your Mr. Gatti's DELCO is located, or who is not insured. You must require each vehicle operator to comply with all laws, regulations and rules of the road and use due care and caution in operating and maintaining the vehicle.

Product and Supplier Approval Procedure. If we require you to purchase an approved item or any item from an approved supplier, and you wish to purchase an unapproved item or the approved item from another source, you must submit to us a written request for approval. You must not purchase the item until and unless we have approved the item or the supplier in writing. We have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may re-inspect the facilities and products of any approved supplier and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. You must reimburse us for the costs that we incur in the supplier approval process. Although we are not required to approve any particular item or supplier, we will notify you whether or not we approve a new supplier within 30 days following your request. We do not provide our criteria for supplier approval to our franchisees.

We do not provide material benefits to franchisees based on their use of designated or approved suppliers.

Purchasing Arrangements. During our 2024 fiscal year, we received $539,462 from the sale of products or services to franchisees operating Mr. Gatti's DELCOs and other types of Mr. Gatti's Pizza Facilities, which is 4.55% of MGPLLC's 2024 fiscal year revenues of $11,863,766.

We, MGPLLC or MGLP have contracted with manufacturers and suppliers who provide us volume discounts, rebates and other cash payments based on volume purchases of supplies, products, foodstuffs and menu items used by our franchised and company-affiliated or affiliated Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities. These volume discounts, rebates and other cash payments include flat fee amounts paid to us pursuant to contract or percentage amounts we receive based on purchases or usage by our franchised and company-affiliated or affiliated Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities. Allowances from vendors such as the Coca Cola Company, Leprino Foods, Heinz and Hormel are retained by us to benefit the Mr. Gatti's System through the maintenance of quality assurance programs, research and development of our products, development and documentation of operating procedures, facilities, design, operating methods, franchise advisory administration and franchise communications. All of our supervisory and operations management personnel devote a major portion of their time and efforts to maintaining our quality standards in both company-affiliated and franchised Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities to protect our reputation and integrity. In all cases, we will deduct for tax purposes our expense to coordinate and test supplies, products, foodstuffs or menu items and supplies. We reserve the right to receive revenue from the sale of items to you by third parties.

We negotiate certain purchase arrangements (including price terms) for the purchase or lease of certain items, like food supplies, recipe ingredients, games and other supplies, with suppliers to obtain competitive costs for the products used by our franchisees and company-affiliated Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. We also negotiate directly with distributors to obtain economical and efficient distribution systems. Our company-affiliated Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities pay the same costs as our franchisees, except as disclosed above. We currently have no purchasing or distribution cooperatives.

We may use a portion of the Technology Fee to pay for certain third-party vendor technology-based products or supplies you will use in your Mr. Gatti's Pizza Facility, as determined in our sole discretion.

Your obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software from us or our designee, from suppliers we approve, or under our specifications are all considered "required purchases." We describe these obligations in detail in the preceding sections of this Item 8. The magnitude of required purchases in relation to all purchases you make to establish and operate your Mr. Gatti's DELCO is difficult to determine due to the highly variable nature of the expenditures necessary to establish and operate your Mr. Gatti's DELCO as described in Item 7. We estimate that your total initial required purchases and your required purchases for the operation of your Mr. Gatti's DELCO will range between 80% and 90% of the cost of your initial and annual purchases or leases.

9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Section in Development Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Section III.A	Section VIII.C. and Exhibit E.	Items 7, 9, and 11
b. Pre-opening purchases/leases	Sections VIII.H.4 and VIII.H.7	Sections VIII.C.3. and VIII.D.	Items 5, 6 and 8
c. Site development and other pre-opening requirements	Sections III.C, V.A, VIII.A., VIII.B., VIII.C., XIII.A. and XIII.F.	Sections III.B., VIII.C. and VIII.D.	Items 7 and 9
d. Initial and ongoing training	Sections VI.C., VIII.C., VIII.J.3 and XX.K.	Sections VI.B., VIII.B and VIII.F.3.	Items 9 and 11
e. Opening	Section III.D. and Exhibit A	Section IV.B. and Exhibit B	Items 5 and 9
f. Fees	Sections V., VI.G., VI.H., VIII.C.1, VIII.H.5, VIII.H.8., IXB., IXC., IXD., XI.A., XI.C.1.c, XI.H., XII.C., XIII.G., XV.B.1.H., XV.D., XV.F., XVI.A., XIX.A.5, XIX.B.2.C., XX.R., XX.S. and Exhibit A	Sections III.A., III.B., III.C., VI.A., VIII.B.1., IX.F.2., X.B.1.G., X.F., X.D., XI.G., XIII.A., XIV.R., XIV.S., Attachment 1 and Attachment 2	Items 5, 6, and 7
g. Compliance with standards and policies/operating manual	Sections III.C., VII.L., VIII.D., VIII.G., VIII.H., VIII.J.3.	Sections IV.A.2.A., VII.G., VII.H., VIII.F.3. and VI.B.	Items 9 and 11
h. Trademarks and proprietary information	Sections X.D., XI.A., XI.B., XVI.A. and Attachment 2	XII.A and Attachment 2	Items 13 and 14
i. Restrictions on products/services offered	Sections II.B., VIII.E., VIII.G., VIII.J.3. and VIII.H.1.	Not applicable	Items 8 and 16
j. Warranty and customer service requirements	Sections VIII.H.6 and VIII.K.	Not applicable	Not applicable
k. Territorial development and sales quotas	Section III.A. and Exhibit A	Sections IV.A, IV.B. and Exhibit D	Item 12
l. Ongoing product/service purchases	Sections VI.H, VIII.E. and VIII.H.1	Not applicable	Item 8
m. Maintenance, appearance and remodeling requirements	Sections III.B, IV.B.2., VIII.E., VIII.F., VIII.H.7., XIII.C. AND XV.1.D	Not applicable	Item 9
n. Insurance	Sections VIII.L. and XIII.	Section VIII.D.	Item 8
o. Advertising	Sections VI.G., XIX.A.2. and XIX.A.8.	Sections VII.H. and VIII.F.1	Items 6 and 9

Obligation	Section in Franchise Agreement	Section in Development Agreement	Item in Franchise Disclosure Document
p. Indemnifications	Section XVI.	Section XIII	Items 6 and 9
q. Owner's participation/management/ staffing	Sections IV.7., VI.C., VII.E., VIII.A., VIII.B. and VIII.C.	Sections IV.2.B., VI.B., VIII.A. and VIII.B.	Item 15
r. Records/reports	Sections III.C., V.B.2., IX.C., IX.D.1., IX.F., XII.A., XII.B. and XII.C.	Section VIII.E.	Item 9
s. Inspections/audits	Sections III.C.2, VI.F., VIIB.3., XII.C. and VIII.H.5	VIII.E.	Items 9 and 11
t. Transfer	Sections XV.B., XV.C., XV.D., XV.E. and XVF.	Sections IV.B.2., X.B., X.C., X.D., X.E. and X.F.	Item 17
u. Renewal	Section IV.B.	Not applicable	Item 17
v. Post-termination obligations	Section XIX.	Section IX.F.	Item 17
w. Non-competition covenants	Sections XI.C.,XI.G. and Attachment 2	Sections XI.B., XI.F. and Attachment 2	Item 17
x. Dispute resolution	Section XX.F.	Section XIV.F.	Not applicable
y. Other (describe)	Not applicable	Not applicable	Not applicable

10. FINANCING

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours. We do review prospective franchisee financing arrangements with franchisee lenders.

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

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

Pre-Opening Deliverables: Before you open your Mr. Gatti's DELCO, we will at our discretion:

1. As requested, provide to you our site selection guidelines and such site selection assistance as we deem advisable. (Franchise Agreement – Section I.B.)

2. As requested, review proposed sites submitted by you to determine compliance with our requirements. (Franchise Agreement –Section III.A.) Our acceptance of a site does not constitute a guarantee, assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for a Mr. Gatti's DELCO or for any other purpose. Our recommendation or acceptance of a site indicates only that we believe that the site falls within the acceptable criteria for sites that we have established at the time we recommended or accepted the site**.**

3. Review the lease or contract of sale for the premises of the Mr. Gatti's DELCO. (Franchise Agreement, Section III.A.)

4. As requested, provide you a suggested floor plan for your specific format. (Franchise Agreement – Section VI.B.)

5. Provide you our confidential brand standards manual, make charts and job aids (collectively, "Brand Standards Manuals"), in a format of our determination or provide you

with access to the Intranet site where our Brand Standards Manuals may be published. (Franchise Agreement, Section VI.C.). The Brand Standards Manuals contain mandatory and suggested specifications, standards, policies and operating procedures and may also include information relative to your other obligations under the Franchise Agreement. The Brand Standards Manuals may be amended or modified to reflect changes in the System. You must keep the Brand Standards Manuals confidential and current and may not copy any part of any Manual. (Franchise Agreement – Section XI.A.) We will give you the opportunity to review copies of our Brand Standards Manuals at our headquarters in Fort Worth, Texas during your discovery date or at such other time as mutually agreed, or at another location mutually convenient to both of us at least 14 days before you sign your Franchise Agreement and pay your initial franchise fee. Before you review the Manual, make charts, and job aids, we will require you to sign the Applicant Confidentiality Agreement attached as Exhibit A to this disclosure document. Our operating system does not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Brand Standards Manuals or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at your Mr. Gatti's DELCO. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of your Mr. Gatti's DELCO's employees or patrons. You will be required to acknowledge and agree in the Development Agreement and Franchise Agreement that we and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

6. Provide access to initial training programs designed to assist you and your management team in the operation of the business. (Franchise Agreement – Section VI.D.)

7. Provide on-site pre-opening and opening assistance we deem necessary. (Franchise Agreement – Section VI.E.)

8. Provide general guidance as to our standards, specifications, procedures, including the purchasing of required furniture, fixtures, equipment, supplies (and, as applicable, purchasing or leasing of games). (Franchise Agreement – Section VI.F.)

Post-Opening Deliverables: During the operation of your Mr. Gatti's DELCO, we may provide the following services to you at our discretion:

1. Provide certain additional or refresher training programs as we determine to be appropriate. (Franchise Agreement – Section VI.D.)

2. Provide continuing general guidance as to our standards, specifications, procedures, including the purchasing of required furniture, fixtures, equipment, supplies (and, as applicable, purchasing or leasing of games). (Franchise Agreement – Section VI.F.)

3. Periodic inspections of your Mr. Gatti's DELCO. (Franchise Agreement – Section VI.G.) See also the descriptions of our Quality, Service, Cleanliness Review process and our Food Safety and Pest Prevention programs below.

4. If we develop them, advertising materials at a reasonable cost to use in marketing your Mr. Gatti's DELCO as we deem appropriate. (Franchise Agreement – Section VI.H.)

5. Administration of a marketing development fund, as provided in the Franchise Agreement. (Franchise Agreement – Section VI.H.)

6. In our discretion, purchasing services for a handling and administrative fee. (Franchise Agreement – Section VI.I.)

7. Revisions to the Brand Standards Manuals as and when available. (Franchise Agreement – Definitions and Section XI.A.)

Brand Protection

Voice of the Customer

Voice of the Customer is a tool that allows us to listen to our customers directly and in real time. This survey tool leverages multiple data streams to identify opportunities that immediately impact and drive customer perceptions/experiences. Voice of the Customer uses Key Performance Indicators that help quickly identify data around guest experiences in categories such as Customer Satisfaction, Employee Behaviors (engagement, product knowledge, suggestive selling, etc.) and the state of the floor and image of the restaurant (stock levels, cleanliness, restrooms, game rooms, marketing POP, etc.). Voice of the Customer and Mystery Shops (discussed below) yield similar benefits in that they both give actionable insights to guest perception that drive better guest services/hospitality, guest expectations and sales. Voice of the Customer works in real time; each survey submitted allows you to identify the time of the customer's visit and, thus, the employees on shift, so that you may capitalize on the opportunity to give due praise or additional training as needed. See Item 6 for a discussion of the fees and costs associated with our Voice of the Customer Program.

Mystery Shop Program

At our discretion, we may use a mystery shopper program as a benchmarked performance measure. When used, mystery shops will monitor the following critical guest contact points: quality, delivery speed, service/friendliness, image, and cleanliness. Shoppers are a great way to receive an unbiased view of customers' experience while interacting with our products, services and employees. Mystery shops gather data around guest experiences in categories around Customer Satisfaction, Employee Behaviors (engagement, product knowledge, suggestive selling and etc.) and the state of the floor and image of restaurant (stock levels, cleanliness, restrooms, game rooms, marketing POP and etc.). By getting and understanding these behaviors in real time as "guest perceptions", mystery shops are very powerful and allow actionable insights that drive better guest services/hospitality, guest expectations and sales.

See Item 6 for a discussion of the fees and costs associated with mystery shop programs.

Food Safety and Pest Prevention Program Overview

Our vision for Food Safety and Pest Prevention is that you and your Mr. Gatti's DELCO team(s) will proactively engage in food safety practices and behaviors that protect our guests, our employees and our brand. Our Food Safety and Pest Prevention Platform consists of three (3) elements: Training, Documentation and Process Execution. It is our expectation that each of your new team members will be trained in Food Safety within his or her first three (3) shifts and prior to beginning his or her primary job.

Furthermore, all of your managers should be trained prior to their promotion on how to teach and certify team members on our Food Safety and Pest Prevention policies, platform and process. Mr. Gatti's forms, checklists and job aids are designed to meet food safety regulatory and statutory requirements and to provide visual and hands-on training aids to develop, audit and enforce food safety behaviors in your staff.

We currently require that each Gatti's Pizza Manager have a currently valid Management Food Safety Certificate obtained through one of our then currently approved vendors. Your Mr. Gatti's DELCO must have a valid food safety permit as required by your specific city, county and/or state.

Food Safety Audits

Food safety audits will be conducted by a third-party vendor specified by us at a minimum rate of once a year. We currently use Steritech to conduct these audits, however we reserve the right to change vendors for this service in our sole discretion and at any time. This unannounced audit process will include an introduction of the program to the operating management of your restaurant, followed by a detailed consultative assessment of your Mr. Gatti's DELCO. Following the audit, the manager on duty is given a thorough debriefing and a printed report is left onsite, capturing the findings and recommended corrective actions. Currently, the criteria used to conduct the audits is Steritech's Standard Food Safety Audit Form which is based on science, the Food Code published by the FDA and industry best practices as well as the inclusion of our custom brand standards and required documentation.

Corrective Action Plans

After an audit is completed, an Audit Complete notification will be e-mailed to the General Manager or Owner. Any audit that includes 1 or more Critical Deviations, regardless of the score, will require submission and completion of a Corrective Action Plan in Steritech's website within 72 hrs. All "Medium Risk" or "High Risk" scores, require submission and completion of a Corrective Action Plan on Steritech's website within 72 hrs. The Franchise Business Consultant (FBC) will review the Corrective Action Plan and approve on the quality and relevance of the plan. If the Mr. Gatti's DELCO scores "High Risk" there will be a follow up visit by Steritech within 30 days, to ensure that the Corrective Action Plan has been completed and all issues have been corrected.

We will pay the cost of all first visitations conducted by Steritech. However, the costs incurred by second or more visitations by Steritech to a same location as a result of a High-Risk result will be paid by the franchisee at Steritech's regular rate plus an administrative fee.

Protecting our Brand

Corrective Action Plans are important to ensure that the Mr. Gatti's DELCO is able to operate at minimal food safety standards. We may, at our discretion, require that the Mr. Gatti's DELCO be temporarily closed, if such Corrective Action Plans have not been executed. If you refuse to voluntarily close, we may issue a default under the Franchisee Agreement. Re-opening of the Mr. Gatti's DELCO will be allowed once all action items are completed and the documented deviations regarding all operating and brand standards have been corrected and verified by our representative. There may be instances where we, in our discretion, determine that immediate action, including possible Mr. Gatti's DELCO closure or even a default notice, is necessary to ensure that appropriate corrective actions are taken. Such could include, but are not limited to, failure to timely submit or execute a Corrective Action Plan; an extremely serious situation observed during an audit; severe food safety deficiencies; food safety emergencies as noted below; negative media attention from issues not resolved at the local level; a perceived imminent risk to our customers or brand; multiple "High Risk" scores within a 12 month period (regardless if they were consecutive or not). While we expect such cases to be the exception, we reserve our right to proceed as necessary.

Food Safety emergencies include:

a) No running water and no alternative source available
b) No hot water (if it cannot be restored in 1 hour)
c) Sewage backup in restrooms or kitchen drains
d) No electricity
e) No working restroom
f) Rodent or cockroach infestation

If the Steritech specialist observes any of the above, he/she will instruct the manager in charge to immediately contact the FBC and the Owner for direction. The FBC and Owner will then determine if a Mr. Gatti's DELCO closure is needed.

If a Mr. Gatti's Pizza receives a "High Risk" score, we will provide you notice and no more than 30 days to cure all of the "High Risk" violations at which time the Mr. Gatti's DELCO will be reassessed. If you fail to cure all "High Risk" violations upon reassessment, we may, at our discretion, terminate the Franchise Agreement.

Advertising and Marketing

In addition to any other advertising obligations, pursuant to a grand opening advertising expenditure and marketing plan created by you and us, we require that you spend at least $15,000, though you can spend more as desired, on pre-opening, grand opening, and one-year anniversary advertising and promotions. As part of your grand opening advertising expenditure and marketing plan, you will pay to us a fully-earned, non-refundable $7,500 which we will use to direct the promotion, marketing, and advertising of the pre-opening of your Mr. Gatti's DELCO. You must spend at least $3,750, though you can spend more as desired, on advertising and promoting your Mr. Gatti's DELCO, beginning on opening day through the first 90 days of opening. Finally, you must spend at least $3,750, though you can spend more as desired, on advertising and promoting the one-year anniversary of your Mr. Gatti's DELCO during the one-month period immediately following your first-year anniversary of the opening.

Payments under your grand opening advertising expenditure and marketing plan will be made directly to us or to the applicable service providers. Upon request, you must submit to us expenditure reports, accurately reflecting your expenditures. In addition to what you are already required to deposit with us, we reserve the right to require you to deposit with us the additional funds required under this section to distribute as may be necessary to conduct the grand opening advertising expenditure and marketing plan. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $15,000 you spend or deposit with us. Your failure to comply with the requirements of this section, either in failing to create a grand opening advertising expenditure and marketing plan or spending the amount stated in this section on such plan, may constitute a default, exercisable in our discretion, under your Franchise Agreement.

In addition to any other advertising obligations, pursuant to an opening advertising expenditure and marketing plan created by you and us, you must spend at least $3,750 on advertising and promoting your Mr. Gatti's DELCO, celebrating the one-year anniversary of the opening of your Mr. Gatti's DELCO. You are required to submit to us any marketing plans and samples of all advertising and promotional materials not prepared or previously approved by us. We reserve the right to audit your expenditures under this section. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the $3,750 you spend for this marketing expenditure. Your failure to comply with the requirements of this section, either in failing to create a grand opening advertising expenditure and marketing plan or spending the amount stated in this section on such plan, will constitute a default, exercisable in our discretion, under your Franchise Agreement.

You must contribute 2% of the Gross Sales of your Mr. Gatti's DELCO to the Marketing Development Fund. We use contributions to the Marketing Development Fund to develop local and regional print, radio and TV ads available for use by franchisees, and to cover costs of creation and production, and the Marketing Department and other personnel, including outside advertising agencies. Advertising and other marketing products are created in-house and occasionally with some assistance from outside advertising agencies. You may use your own advertising materials with our prior written consent. Our affiliated Mr. Gatti's DELCOs and other types of Mr. Gatti's Pizza Facilities may or may not contribute to the Fund at our sole discretion. We will have no duty to segregate these funds from our other funds. In any fiscal year, we may spend an amount greater or less than the aggregate contribution of all Mr. Gatti's Pizza Facilities to the Marketing Development Fund in that year. You will have no right to review or audit the financial statements of the Funds. We make no guarantees that you will receive value of any kind or nature from your contributions to the Marketing Development Fund.

We are not obligated to advertise locally in your area. You must spend at least 2% of the Gross Sales of your Mr. Gatti's DELCO on Media and on Local or Regional Advertising. We provide for certain credits against your Media and Local or Regional Advertising requirements. We may raise your Media and Local or Regional Advertising minimum spend to 3%. If we do, 2% must be spent on Media and 1% on Local or Regional Advertising. (Franchise Agreement, Section IX.A.1.)

You must also (i) participate in any new product launch marketing efforts we undertake; (ii) participate in any sales promotion programs we may establish (Franchise Agreement, Section IX.B.4.); and (iii) carry out a grand opening promotion for your Mr. Gatti's DELCO (Franchise Agreement, Section IX.C.). We may make an exception from grand opening promotion for a restaurant transfer. You must report your Media and Local and Regional Advertising expenditures to us quarterly and annually. (Franchise Agreement, Section IX.F.). We generally expect to have between 0 and 5 new product launches and/or sales promotions per year, and recently have been using funds from the Marketing Development Fund to pay for new product launches or sales promotions.

We may require you to join an advertising cooperative for your market area ("Cooperative"), if we establish one. If we do, you may be required to contribute up to 4% of the Mr. Gatti's DELCO's Gross Sales to the Cooperative. (Franchise Agreement, Section IX.D.1.) Currently, we have no formal Cooperatives.

We have the right to create a Media Fund and require you to contribute up to 2% of the Gross Sales of the Mr. Gatti's DELCO to a Media Fund upon delivery of written notice to you. (Franchise Agreement, Section IX.D.2.). All rights we have related to the Marketing Development Fund will apply to us if we create a Media Fund. We reserve the right, but have no obligation, to create separate Media Funds for Mr. Gatti's DELCOs and/or other types of Mr. Gatti's Pizza Facilities.

We can cause the Marketing Development Fund and Media Fund (collectively, the "Funds") to be incorporated or operated through a separate entity if we deem it to be appropriate. Any successor entities will have all of same the rights and duties that we have. The Funds will be used to defray reasonable salaries, administrative costs, travel expenses and overhead that we may incur in activities related to the Funds and their programs, including, conducting market research, preparing advertising, public relations, promotion and marketing materials and collecting and accounting for contributions to the Funds.

We are not obligated to ensure that Fund expenditures are proportionate or equivalent across multiple geographic area or that any Mr. Gatti's Pizza Facility will benefit directly or proportionately to its contributions to the Funds.

We have the right to defer or reduce contributions and, on 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the Funds for 1 or more periods of any length and to terminate (and, if terminated, to reinstate) the Funds (and, if suspended, deferred or reduced, to reinstate such contributions). If the Funds are terminated, all unspent monies on the date of termination will be distributed

to Mr. Gatti's DELCOs and/or such other types of Mr. Gatti's Pizza Facilities in proportion to their respective contributions to the Funds during the preceding 12-month period. (Franchise Agreement, Section IX.E.)

In the fiscal year ended December 29, 2024, Marketing Development Fund disbursements are as follows:

Management	2.5%
Marketing	54.1%
Marketing Support	20.3%
Franchisee Solicitation	10.3%
Administrative Support	12.9%

As noted above, MGLP deactivated the Media Fund in August 2019.

Production expenses consist of payments for the creation of advertising and marketing themes, logos and campaigns, the production of advertising and marketing materials and certain of our public relations efforts. Advertising production funds may be used for the solicitation of the sale of franchises. The percentage of funds used for franchisee solicitation during the last fiscal year of is described in the above chart.

Our Franchise Advisory Council ("FAC") board provides advice to us on various matters, including advertising. All Franchisees are members of the FAC. The FAC board serves in an advisory capacity only and has no operational or decision-making power. The FAC board is currently composed of 5 franchisee members and 1 corporate representative; however, this may expand based on our discretion. We may, in our discretion, appoint a corporate officer as the 7th member of the FAC board. We retain the right and power to change this voting arrangement as well as all other aspects of the FAC board and to dissolve the FAC board at our sole discretion.

We may occasionally develop and administer, or grant you permission to use, advertising and marketing programs, including gift card sales programs, customer retention and loyalty programs, affiliate programs, third party voucher programs, merchandising such as glasses and magazines, and online and app ticket purchasing programs, designed to promote and enhance the collective success of all Mr. Gatti's Pizza Facilities. You must participate in all such advertising and marketing programs in accordance with the terms and conditions we establish for each program, and must adhere to any restraints or limitations we set for your own use of such programs at your Mr. Gatti's DELCO.

Our Website and Your Use of the Internet and Social Media

You may not develop, own or operate any website, webpage, domain name, email address or other identification of your Mr. Gatti's DELCO using our Marks or otherwise referring to your Mr. Gatti's DELCO or the products or services sold at your Mr. Gatti's DELCO without our prior written approval.

We operate an Internet website that provides information about Mr. Gatti's DELCOs as well as other types of Mr. Gatti's Pizza Facilities. We have sole discretion and control over the website (including timing, design, contents and continuation) and may (but are not required to) include website interior pages containing information about our franchisees' Mr. Gatti's DELCOs and other types of Mr. Gatti's Pizza Facilities. We may use a portion of the Technology Fee to pay for certain website-related costs, as determined in our sole discretion.

Unless we agree in writing, neither you nor your owners, employees or agents may use the Marks or otherwise mention the Mr. Gatti's DELCO, Mr. Gatti's Pizza Network or System in connection with any business or personal uses of Social Media. In all cases, we have sole discretion and control over any profiles using or relating to the Marks, Mr. Gatti's DELCOs, Mr. Gatti's Pizza Network or System, or that display the Marks that are maintained or posted on Social Media. We may (but need not) establish guidelines

pursuant to which you may establish profiles or otherwise establish a presence on Social Media. In such event, you will comply with the standards, protocols and restrictions that we impose, and we can revoke any prior permissions. You will indemnify us if we incur losses and expenses from any authorized or unauthorized use of Social Media. (Franchise Agreement, Section VI.H.).

Computer Systems/Technology Solutions

In your Mr. Gatti's DELCO, you must purchase, subscribe to, and use the computer systems, software, programs, and equipment, including computerized point of sale ("POS") system, designated and approved by us. Presently, the approved computer systems and equipment for Mr. Gatti's DELCOs includes HungerRush, Olo, and QSR Online. We have the right to change the list of approved products and to update and alter the specifications for approved computer systems and equipment, at our sole discretion.

The cost of the computer systems and equipment for your Mr. Gatti's DELCO will vary based on the hardware and software features. These rates are based on multiple factors and dependent upon the provider's review of Franchisee's needs. We may use a portion of the Technology Fee to pay for certain computer systems/technology solutions costs, as determined in our sole discretion.

You must install any other hardware or software for the operation of the Mr. Gatti's DELCOs that we may require in the future, including any enhancements, additions, substitutions, modifications and upgrades. You may not install any hardware or software that has not been specified by us without our prior written approval. We may require that you install and maintain systems that permit us to independently access, retrieve and use electronically any information stored in your computer systems, including information concerning your Mr. Gatti's DELCO's Gross Sales and customers, at the times and in the manner that we may periodically specify. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by the Mr. Gatti's DELCOs. See Item 16 regarding restrictions on your use of electronic media.

You must maintain high-speed internet service required to engage in online communication and activity. You must maintain a valid and secure environment for computer systems to protect your Mr. Gatti's DELCO and guests from fraud and data theft.

Site Selection and Mr. Gatti's DELCO Opening

You will pay to us a construction oversight fee of $5,000 when you sign your Franchise Agreement. See Item 5.

Under the Franchise Agreement, you select the site for your Mr. Gatti's DELCO from within the non-exclusive Designated Area. In deciding whether to approve a site, we may consider a number of factors, including, demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, the predominant character of the neighborhood, competition from other businesses selling similar products and services within the area, the proximity to other businesses, the nature of other businesses in proximity to the site, zoning restrictions, soil and environmental issues, other commercial characteristics, the size, appearance, and other physical characteristics of the proposed site.

If you have not already obtained approval for a site before you sign your Franchise Agreement, you must get site approval no later than 45 days after the Franchise Agreement is signed. Your failure to do so constitutes an event of default under the Franchise Agreement for which we may terminate. If we do so, we will have no obligation to return your initial franchise fee. We have 30 days after receiving the site information from you to approve or disapprove the site, in our sole discretion.

In all cases, you must have an approved site for your Mr. Gatti's DELCO within 120 days of the date you signed your Franchise Agreement and you must have purchased the land or executed an approved lease for

the site for your Mr. Gatti's DELCO within 150 days of the date you signed your Franchise Agreement. (Franchise Agreement). Your failure to timely present an acceptable site, obtain our approval for your site and/or secure control over the site may result in a default under the Franchise Agreement, in which case, the Franchise Agreement may be terminated.

Our approval of a site for your Mr. Gatti's DELCO will be conditioned in part on your ability to obtain the execution of our Rider to Lease Agreement (Attachment 3 to the Franchise Agreement), which provides us certain direct rights to your landlord and site. We may reject a site if you are not able to obtain the execution of our Rider to Lease Agreement.

You must open your Mr. Gatti's DELCO within 12-months after signing your Franchise Agreement (the "Required Opening Date") and you agree that time is of the essence. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Mr. Gatti's DELCO is between 9 months and 12 months, but this interval may vary based on factors like the following: satisfactory completion of our Management Training Program, the location and condition of a satisfactory site, the construction schedule, the delivery schedule for equipment and supplies, delays in securing financing arrangements and compliance with local laws and regulations. Your Mr. Gatti's DELCO must be authorized by us to open and then actually open for business to the public on or before that Required Opening Date. Failure to comply with the stated opening date guidelines will be deemed a material default of the Franchise Agreement. (Franchise Agreement, Section III.D.) Prior to you opening your Mr. Gatti's DELCO, you must fill out and submit to us a worksheet, in a form acceptable by us, documenting your costs in constructing and finishing out your Mr. Gatti's DELCO. We may, but are not required to, provide you with a form worksheet.

We currently require you to update and upgrade your Mr. Gatti's DELCO to current system standards on revolving three- and six-year periods. At present, every 3 years we may require you update one or more of the following: refresh seating package, POS/PCI upgrades, update floor finishes, update wall finishes, update restroom finishes, update exterior finishes. Every 3 years we may require you update one or more of the following: replace signage, refresh seating package, POS/PCI upgrades, update floor finishes, update wall finishes, update restroom finishes, update exterior finishes, update ceiling finishes, update service counter finishes. We reserve the right to modify the specific Mr. Gatti's DELCOs update and upgrade requirements from time to time.

Training

We are committed to assisting you in having a successful Mr. Gatti's DELCO opening. Our Support representatives will assist you in training your hourly employees and management teams and will continue that support through a minimum of your first two weeks.

We require that all restaurant openings do not occur between Christmas and New Year's Day out of respect for the employee's family time in addition to the holiday season's extraordinary impact on the ability to properly recruit and train an adequate team. We schedule a Tuesday opening which allows for proper training to occur during slow business times to ensure management and employees fully understand how to run smooth operations before volume escalates. We will schedule a "VIP night" toward the end of training to allow your team to experience a simulated "real life" shift with real guests. We have found this live training to be extremely beneficial to evaluating overall preparedness.

Our training programs are supervised by Will Cornish, Director of Training (1 year in training with us directly and 20+ years in training for a single Mr. Gatti's Pizza Facility).

Training Support, Training Outline and Agenda

The core of the Mr. Gatti's training program is the online training modules found at the Mr. Gatti's Skyprep website (gattis-pizza.skyprepapp.com/account/signin). You will be provided a username and password which will enable you to access all of the Mr. Gatti's online training modules.

We realize that you and your trained managers cannot successfully open a new restaurant without assistance. For each new Mr. Gatti's DELCO opening, we will also support the Mr. Gatti's DELCO with additional resources, which may include, but are not limited to, the support center training team's point-of-sale (POS) representative, an IT representative (these may be vendor representatives and not Mr. Gatti's employees) and any other members of the support center training team as we determine necessary. We will customize a detailed training calendar illustrating the dates the support center training team will be arriving and leaving for each new Mr. Gatti's DELCO opening and will send a finalized version to you prior to each restaurant opening date.

Mr. Gatti's Team Orientation and New Staff Training

The foundation of a successful training program begins with orientation. It is imperative that all onboarding paperwork, document verification, and company specific material is completed prior to the start of training. Your new staff should be fully aware of your company policies and procedures. Oftentimes orientation is scheduled immediately prior to the commencement of training but it is important that the staff be turned over to the training team at the scheduled time, clocked in, wearing proper uniform, and ready to learn about Mr. Gatti's products and operational procedures. In addition to appropriate position training, all managers and team members are required to complete the Food Safety and Sanitation online training module. For new restaurants, we will support you by providing specific Mr. Gatti's product and procedure training to all new employees. Our support is offered once in connection with new Mr. Gatti's Pizza Facility initial training of employees. It is our expectation that every new team member will go through orientation as they join your organization.

Our support center training team will provide your management team, at no cost, with a one-day Train the Trainer session. The purpose of this training is to introduce, teach and certify you on Mr. Gatti's team member training platform, which includes tools, processes and resources to train hourly team members. We will also provide, at no cost, the necessary materials to conduct this Train the Trainer session. Access to electronic versions of the materials will also be provided to you.

It is our expectation that every new team member joining your organization will be trained using the processes, tools and resources as defined by us from time to time. Team member training will be assessed and documented by the team and certified using the Mr. Gatti's Learning Management System (LMS), in conjunction with the ASR review, and operational audit as needed.

Mr. Gatti's Management Training Program

Our Mr. Gatti's Management Training Program consists of classroom training, Learning Management System (LMS) training, and on-the-job training. Your designated General Manager, salaried managers, and hourly managers (if hired before Opening Date) must successfully complete the online LMS certifications and be verified as certified by us before the Opening Date of your Mr. Gatti's DELCO.

Your Managing Owner and/or Regional Manager, if applicable within your organization, must also successfully complete our LMS certification program within a reasonable time after your Franchise Agreement is signed, and in any event, before the Opening Date of your Mr. Gatti's DELCO. Any successor or replacement General Manager, Assistant Manager, Managing Owner, Regional Manager or DELCO General Manager must also successfully complete our online LMS certification program and become certified by us within a reasonable time after they are hired. In the case of hourly management (Shift Managers) not hired before Opening Date, the Mr. Gatti's online training program provides all the necessary

training tools to your General Manager and/or Managing Owner, so that hourly managers (Shift Leaders) can be trained by you in your Mr. Gatti's DELCO.

The On-The-Job component of the training program for General Manager and above restaurant leaders, lasts approximately four weeks. The On-The-Job component of the training program for Assistant Managers lasts approximately three weeks. On-The-Job training is conducted at Mr. Gatti's DELCOs we designate, either in Texas or in another qualified training facility. This phase of the training must occur before your Opening Date but cannot begin earlier than 12 weeks before the opening of a Mr. Gatti's DELCO.

We provide initial training and training materials for both the classroom and on-the-job components of the Mr. Gatti's Training program either at our support center training facility or other designated training facility at no charge. We may charge our then-current hourly fee (currently $50 per hour with a four-hour minimum and a $200 per diem) for training additional, successor or replacement personnel. You must pay all logistical expenses you and your General Manager, Assistant Manager, Shift Manager, Managing Owner, DELCO Manager and any Regional Manager incur in attending our Mr. Gatti's Training program, including costs of travel, lodging, meals and wages. We may charge a reasonable training program fee for training all additional, successor or replacement personnel. Both components of the Mr. Gatti's Training program (Online LMS and On-The-Job Training) must be completed to our satisfaction. If any General Manager, Managing Owner, Regional Manager or DELCO Manager fails, in our sole judgment, to satisfactorily complete our training program, you must cure the default within 90 days following written notice from us (which may include but is not limited to remedial training or hiring a new manager), or we may terminate the Franchise Agreement. We may require your management personnel and any other personnel we designate to attend and complete any additional training that we may periodically require, including but not limited to training before your Franchise Agreement can be renewed and training before a transfer can be approved. We may charge a fee for additional training (currently our hourly fee of $50 per hour with a four-hour minimum and a $200 per diem). You must pay all expenses you and your personnel incur in attending any remedial or additional training, including costs of travel, lodging, meals and wages. (Franchise Agreement, Section VIII.C.) Our training program is offered as needed during the year depending on the number of new franchisees, the number of other personnel needing management training and the scheduled opening of new Mr. Gatti's DELCOs. Our training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subject matter covered and other information relevant to our management training programs are described below:

MR. GATTI'S MANAGEMENT TRAINING PROGRAM
(Mr. Gatti's DELCO)

Managing Owner and/or Regional Manager and General Manager

Subject[1]	Hours of Classroom Training[2]	Hours of On-The-Job Training[2]	Location
Position training	Completion of on-line training modules	70 hours	Training at Mr. Gatti's support center in Fort Worth, Texas or other designated facility as determined by us. OJT in a designated facility as may be available from time to time.
Point-of-sale system training[4]	2 hours	6 hours	
Delivery training[3]	1 hour	9 hours	
Management training	8 hours	70 hours	
TOTAL	**14 hours**	**186 hours**	

Administrative

Subject[1]	Hours of Classroom Training[2]	Hours of On-The-Job Training[2]	Location
Restaurant Administration	24 hours	0 hours	Classroom training at Mr. Gatti's support center in Fort Worth, Texas or other designated facility as determined by us. OJT in a designated facility as may be available from time to time.
TOTAL	**24 hours**	**0 hours**	

[1] The subjects taught, the instructional materials used, and the time periods allocated for each subject may vary based on the experience of the people being trained and other relevant factors as determined in the sole discretion of the Franchisor on a case-by-case basis. For example, the classroom training program may use prepared reading materials, slide presentations, videos, forms and/or role playing and problem solving. It may include employee interview and selection, training techniques, coaching, budgeting, completion of sales records, food and labor costs, employee evaluation, product specifications and guest relations. The training program for developers or other multi-unit operators may include budgeting, manager selection and evaluation, unit evaluation, maintenance, time allocation, record keeping and training techniques.

[2] Total training time is 5 weeks (200 hours) for the Managing Owner and/or Regional Manager, your General Manager and at least 1 Assistant Manager. The hours listed are estimates only. Actual time spent in training will depend on the trainee's prior experiences and learning ability.

[3] In addition to application training for Mr. Gatti's Facility operations personnel, we recommend that you consider hiring (or contracting with) an information technology functional expert to be trained at a Franchisor approved location before the initial Mr. Gatti's Pizza Facility opening date.

Note: 1 week (40 hours) of additional training time will be offered on a tuition basis for managers in training (MIT's) needing additional training time.

TEAM MEMBER TRAINING

We recognize that you and your trained managers will benefit when opening a new Mr. Gatti's Pizza Facility from assistance provided by us. For your first opening of a Mr. Gatti's Pizza Facility, we provide pre-opening and opening assistance at no additional charge, including 2 to 5 people, which may include but are not limited to:

- The support center training team's point-of-sale (POS) representative.
- An IT representative (these may be vendor representatives and not Mr. Gatti's employees).
- And any other members of the support center training team as we determine necessary.

We will customize a detailed training calendar illustrating the dates the support center training team will be arriving and leaving for each new Mr. Gatti's Pizza Facility opening and will send a finalized version to you prior to each Mr. Gatti's Pizza Facility opening date. Our Support representatives will assist you in

training your hourly employees and management teams and will continue that support through 14 days of pre-opening and post opening training.

After your first opening of a specific Mr. Gatti's Pizza Facility format, you and your team will be expected to take more and more of a lead role in subsequent openings. We will scale back the assistance will provide at no charge, as follows:

Opening #2 – We will provide 2 to 4 people.
Opening #3 – We will provide 1 to 3 people.
Opening #4 – We will provide 1 to 2 people.
Opening #5 – We will not provide any opening assistance free of charge.

These estimated levels of support are specific to current Mr. Gatti's Pizza Facility formats. For example, if your first three openings were Mr. Gatti's FEC's, and your fourth opening was a Mr. Gatti's DELCO, we will provide the appropriate level of support for the Mr. Gatti's DELCO as though it were your first opening.

We may charge you an hourly fee, currently $50 with a four-hour minimum, and a $200 per diem, for any pre-opening and opening assistance that we provide for any openings after your fourth opening, or more than 14 days of pre-opening and opening assistance.

POST OPENING

After the first two weeks of being open there may be occasions when you would need additional hands-on training for successor or replacement management personnel, or for additional training programs for your existing team. This training is available for an hourly fee, currently $50 with a four-hour minimum, and a $200 per diem.

Any successor or replacement General Manager, Assistant Manager, Managing Owner, or Regional Manager must also successfully complete our online LMS certification program and become certified by us within a reasonable time after they are hired. In the case of hourly management (Shift Managers) not hired before Opening Date, the Mr. Gatti's online training program provides all the necessary training tools to your General Manager and/or Managing Owner, so that hourly managers (Shift Leaders) can be trained by you in your Mr. Gatti's Pizza Facility.

12. TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right, and you accept the obligation, to establish and operate a single Mr. Gatti's DELCO at the Approved Location.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

You are assigned a specific geographic area around the Mr. Gatti's DELCO (the "Protected Area"). Under the Franchise Agreement, we agree not to establish, or allow another franchisee to establish, another Mr. Gatti's DELCO within approximately a 2 ½ -mile radius (as measured by metes and bounds), except that in densely populated areas it generally will be a 1-mile radius (as measured by metes and bounds), around your Approved Location. Notwithstanding, your Protected Area does not include any protections from a Special Facility, which we define as (a) an express unit, a mini-Mr. Gatti's DELCO, or similar fixed installation that contains all necessary items to offer and sell a full or limited range of approved food and beverage products and services, and is located in an enclosed mall, airport, sports arena, hospital, train or bus station, theme park, zoo or aquarium, military base, higher education campus, office building, convention center, regional or national retailer, or other special use facility; and (b) a kiosk, booth, mobile

dispensing unit (such as a cart or customized mobile vehicle) or other mobile installation at or from which select approved food and beverage products and services may be sold to customers under the Marks, any of which may operate on a permanent, temporary or seasonal basis.

Further, any areas as to which we may have existing contractual commitments, whether or not such areas are identified in your Franchise Agreement, are also excluded from your Protected Area. This protection extends only to Mr. Gatti's DELCOs, and not to other types of Mr. Gatti's Pizza Facilities that we, our affiliates or our franchisees may establish or operate, which other types of Mr. Gatti's Pizza Facilities may use some variation of the "Mr. Gatti's" or "Gatti's" names.

You may not relocate the Mr. Gatti's DELCO without our express prior written consent, which may be provided or withheld in our sole discretion. If you are unable to continue to operate the Mr. Gatti's DELCO at the Approved Location because of an event of Force Majeure (or for other reasons not constituting an event of default under the Franchise Agreement), you may request our consent (which we may grant or withhold in our sole discretion) to relocate the Mr. Gatti's DELCO to another site, accepted by us in our sole discretion. If we grant you the right to relocate the Mr. Gatti's DELCO, then you must pay us a relocation fee in an amount equal to 50% of our then current initial franchise fee in effect for a Mr. Gatti's DELCO at the time of your relocation, and you must comply with such reasonable site selection and construction procedures as we may require. As a prerequisite to our consideration of any relocation request, you must be in Good Standing.

The Franchise Agreement only gives you the right to operate a Mr. Gatti's DELCO from a single location and to sell products and services to customers at your Mr. Gatti's DELCO, using the Marks. It does not grant you rights to use any other channels of distribution, such as the internet, catalog sales, direct marketing, etc. to make sales outside of your Protected Area. All rights not expressly granted to you in the Franchise Agreement are reserved to us.

As detailed in Item 5, you are required to open your Mr. Gatti's DELCO and commence operations by the Required Opening Date. If you are behind on development of your Mr. Gatti's DELCO and you believe you will not open your Mr. Gatti's DELCO and commence operations by the Required Opening Date, you may seek a single 6-month extension to open your Mr. Gatti's DELCO and commence operations by requesting an extension in writing at least 60-days prior to the Required Opening Date. Such request must contain an explanation for the delay, an anticipated opening date and payment of an extension fee equal to $10,000 if you have signed a lease or purchase agreement for real property or $12,500 if you have not signed a lease or purchase agreement for real property. You will be granted the extension of the Required Opening Date to the Extension Date if you fully and timely meet all of our extension conditions, but such Extension Date will only apply to the specific Mr. Gatti's DELCO to which the request applied.

Except as described above, we reserve all other rights, including the following:

(i) the exclusive to establish and license others to establish Special Facilities and/or all other types of Mr. Gatti's Pizza Facilities other than the type of Mr. Gatti's Pizza Facility you are authorized to develop and operate under your Franchise Agreement, including pizza and/or entertainment facilities using some or all of the Marks and/or System from time to time at any location within the Protected Area;

(ii) the exclusive to establish and license others to establish all types of Mr. Gatti's Pizza Facilities outside the Protected Area, including locations that are adjacent or proximate to the boundary of the Protected Area;

(iii) the exclusive to develop and establish other business systems using the Marks, or other similar or dissimilar names or marks, and to grant licenses to use those systems without providing any rights to you;

(iv) the exclusive to advertise and promote the System for all types of Mr. Gatti's Pizza Facilities within and outside the Protected Area;

(v) the exclusive to acquire and be acquired by any company, including a company operating one or more food service or entertainment businesses (including a business similar to any type of Mr. Gatti's Pizza Facility); and

(vi) the exclusive to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, licensing and sale of any and all food, beverages, games, or other services and products under the Marks, or under other names or marks, through any method of distribution and to any customers (including, without limitation, National Accounts) on such terms as we determine to be appropriate in our sole discretion.

We do not grant any options or rights of first refusal to obtain additional Mr. Gatti's DELCOs or other types of Mr. Gatti's Pizza Facilities. If you desire to open an additional Mr. Gatti's DELCO, you must sign a separate Franchise Agreement for that location.

We reserve all other rights, except for the rights we grant you in the Protected Area.

Development Agreement

Under your Development Agreement, you have the right and obligation to establish multiple Mr. Gatti's DELCOs in the agreed Territory. As noted in Item 1, you may also have the right to establish other types of Mr. Gatti's Pizza Facilities in the Development Agreement.

We determine the Territory before you sign the Development Agreement based on various market and economic factors like demographics, the penetration of similar businesses, the availability of appropriate sites and growth trends in the market. The Territory may be all or a portion of a city, a single or multi-county area, or some other area, and will be described in the Development Agreement. The Territory will exclude any areas as to which we may have existing contractual commitments whether or not such areas are identified in your Development Agreement.

As long as you remain in "Good Standing," if we desire to pursue a third-party franchise transaction for a bricks and mortar Mr. Gatti's FEC or Mr. Gatti's DELCO within your Territory, we will first provide you written notice and information on the area(s) or locations proposed for such Mr. Gatti's FEC or Mr. Gatti's DELCO. You will have 30 days from the receipt of such notice to exercise the right of first offer ("ROFO") by signing our then current form of Franchise Agreement. If you do not exercise the ROFO, we will have all rights to pursue and grant a franchise for a Mr. Gatti's FEC or Mr. Gatti's DELCO at such specified area(s) or location(s), but if a Mr. Gatti's FEC or Mr. Gatti's DELCO is opened in your Territory, we will permit you to develop an additional Mr. Gatti's Pizza Facility in your Territory, or designate another Territory as approved by us in our sole discretion, at no additional cost to you. Except for the ROFO, nothing in your Development Agreement will prevent us from owning, operating or granting franchises for any other types of Mr. Gatti's Pizza Facilities in the Territory.

"Good Standing" means (i) you are current on all payments due to us, our Affiliates, your suppliers, and your landlord, and you are current on all wage payments legally owed to your employees, (ii) you have met your Development Schedule (as described in the Development Agreement), (iii) you are not in default of any Franchise Agreement, (iv) you have passed our most recent inspection and are otherwise in compliance with our System Standards (as defined in the Development Agreement), and (v) you are actively marketing the Mr. Gatti's DELCOs to be developed under the Development Agreement under our current marketing programs. If you are authorized to develop a Mr. Gatti's DELCO that offers delivery, it also means that you are adequately servicing the Designated Delivery Areas under your Franchise Agreements.

As detailed in Item 5, you are required to open each Mr. Gatti's Facility and commence business in accordance with the timelines set on the Development Schedule If you are behind on development of your Mr. Gatti's DELCO and you believe you will not open your Mr. Gatti's DELCO and commence operations by end of the Development Period, you may seek up to two separate 6-month extensions of the Development Period commencing on the expiration of the applicable Development Period, including any previous extensions if any ("Extension Date") by requesting an extension in writing at least 60-days prior to the end of the Development Period. Such request must contain an explanation for the delay, an anticipated opening date and payment of an extension fee equal to $10,000 if you have signed a lease or purchase agreement for real property or $12,500 if you have not signed a lease or purchase agreement for real property. You will be granted the extension of the Development Period to the Extension Date if you fully and timely meet all of our extension conditions, but such Extension Date will only apply to the specific Mr. Gatti's DELCO to which the request applied. If an extension is requested in the final Development Period, the term of the Development Agreement will be extended to the Extension Date, and you will have no further rights under the Development Agreement.

Except as described above, we reserve all other rights, including the following:

(i) the exclusive to establish and license others to establish Special Facilities using some or all of the Marks and/or System from time to time at any location within the Territory;

(ii) Subject to the ROFO, the exclusive to establish and license others to establish all types of Mr. Gatti's Pizza Facilities within the Territory, including Mr. Gatti's FECs, Mr. Gatti's DELCOs and other pizza and/or dining and entertainment facilities using some or all of the Marks and/or System from time to time at any location within the Territory;

(iii) the exclusive to establish and license others to establish all types of Mr. Gatti's Pizza Facilities outside the Territory, including locations that are adjacent or proximate to the boundary of the Territory;

(iv) the exclusive to develop and establish other business systems using the Marks, or other similar or dissimilar names or marks, and to grant licenses to use those systems without providing any rights to you;

(v) the exclusive to advertise and promote the System for all types of Mr. Gatti's Pizza Facilities within and outside the Territory;

(vi) the exclusive to acquire and be acquired by any company, including a company operating one or more food service or entertainment businesses (including a business similar to any type of Mr. Gatti's Pizza Facility); and

(vii) the exclusive to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, licensing and sale of any and all food, beverages, games, or other services and products under the Marks, or under other names or marks, through any method of distribution and to any customers (including, without limitation, National Accounts) on such terms as we determine to be appropriate in our sole discretion.

We reserve all other rights, except for the rights we grant you in the Territory.

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If your Franchise Agreement for a Mr. Gatti's DELCO provides you the right to offer delivery services, you have the right and obligation to provide delivery service in a "Designated Delivery Area." The Designated Delivery Area is an area around your Mr. Gatti's DELCO which we determine before you sign your Franchise Agreement. We will use whatever metrics we deem necessary to define your Designated

Delivery Area. Designated Delivery Areas are not Protected Areas and may overlap. Because changing market and demographic conditions may affect your ability to meet our commitment to quality, safety, and service, we have the right, in our sole discretion and at any time including during the franchise Term, to modify your Designated Delivery Area to reflect these changing conditions. If you fail or refuse to service your Designated Delivery Area to our satisfaction, we may terminate your Franchise Agreement.

Continuation of any territorial exclusivity does not depend on the achievement of a certain sales volume, market penetration or other contingency.

We and our affiliates may sell products under the Trademarks within and outside your Territory through any method of distribution other than a dedicated Mr. Gatti's Pizza Facility, including, sales through such channels of distribution as the Internet, catalog sales, telemarketing, third-party retail outlets, or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Territory except as described in the following paragraph and you will receive no compensation for our sales through alternative distribution channels except as described in the following paragraph.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive orders for any System products or services calling for delivery or performance in your Territory, then we will offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with this.

We and our affiliates can use alternative channels of distribution to make sales within your Territory of products or services under trademarks different from the Trademarks you will use under the Franchise Agreement, but we and our affiliates have not yet made any sales of this type.

As detailed in Item 1, we may continue company-affiliated or franchised operation or development of other types of Mr. Gatti's Pizza Facilities or other restaurant or food service businesses with or without "Gatti's", "Mr. Gatti's", "GattiLand" or "GattiTown" marks, and you will not receive any rights to or protection against any operation or franchising of such Facilities or other restaurant or food service businesses (if any). Except as noted above, we and our affiliates have not established and do not currently intend to establish any other franchises or company-affiliated outlets offering similar services or goods under a different trademark anywhere, but we reserve the right to do so.

In 2024, we granted a single Mr. Gatti's franchisee the right to develop 92 Mr. Gatti's Special Facilities in select Walmart Supercenter locations. We do not count these Special Facilities as either Mr. Gatti's FEC Facilities or Mr. Gatti's DELCO Facilities. The franchisee opened 12 of the initial 92 locations in 2024, and an additional 7 locations in Q1 2025. At this time, we have not granted any additional Mr. Gatti's Special Facilities franchises to any other Mr. Gatti's Pizza franchisee.

13. TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to use the Marks in the operation of your Mr. Gatti's DELCO.

MGLP applied for registration or registered the following Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO"). MGPLLC accrued to these Marks on or about November 18, 2019 when MGLP was merged into MGPLLC. We accrued to these Marks on or about November 12, 2021 when MGPLLC assigned these Marks to us.

Trademark/Service Mark	Date of Registration (Date of Application)	Registration Number (Application Number)
"Gatti's"	February 3, 2004	2,810,201
"Gatti's"	September 26, 2006	3,149,101
"Mr. Gatti's Pizza" (and design-color)	May 7, 2019	5,747,116
Gatti's Pizza (and design-B&W)	February 13, 2007	3,208,007
Gatti's Pizza (and design-color)	February 13, 2007	3,208,009
Gatti's Pizza & Design	January 29, 2008	3,375,682
Gatti's Pizza & Design (Color)	February 13, 2007	3,380,775
"Eat up the fun"	October 3, 2006	3,151,406
"Mr. Gatti's (stylized)	September 23, 1975	1,021,266
"Mr. Gatti's"	March 12, 1996; last renewal March 12, 2006	1,962,000
Mr. Gatti's	December 1, 2020	6,209,060
Mr. Gatti's	September 13, 2022	6,847,514
Mr. Gatti's Sign Silhouette (Design)	August 17,1993; last renewal August 17, 2013	1,788,599
"Gatti's Deluxe"	December 4, 1990; last renewal December 4, 2010	1,626,181
"Meat Market"	January 8, 1991, last renewal January 8, 2011	1,631,033
"Gatti's Favorites"	May 21, 1991; last renewal May 21, 2011	1,645,627
"Sampler"	September 3, 1991; last renewal September 3, 2011	1,655,680
"Superoni"	December 21, 1993; last renewal December 21, 2013	1,812,301
"Pan Perfect"	October 10, 1995; last renewal October 10, 2015	1,925,656
"Dutch Apple Treat"	November 15, 2011	4,056,371
"SpaGatti"	November 22, 2011	4,059,969
"Burgeroni"	September 3, 1991	1,655,677
"Crave More"	April 17, 2012	4,129,039

Trademark/Service Mark	Date of Registration (Date of Application)	Registration Number (Application Number)
"Crave More Save More"	October 12, 2010	3,860,277
G (Stylized)	October 9, 2018	5,579,869
G Gatti's (Stylized)	July 17, 2012	4,175,291
Gatti Gear	August 1, 2022	97/529,096
Gatti Town (Stylized)	December 19, 2017	5,360,711
Gattitown	October 26, 1999	2,289,368
Gatti Town Eat Up The Fun! (Stylized)	September 25, 2007	3,299,161
Gattiland	February 22, 1994	1,823,465
"Gatti's To Go"	July 17, 2001	2,470,364
Gettin' Together Over Gatti's	September 25, 2007	3,297,068
G-Force	October 30, 2001	2,502,296
Mr. Gatti's Pizza Est. 1969 & Design	April 4, 2017	5,177,737
Mr. Gatti's Pizza Est. 1969 & Design	April 11, 2017	5,182,860
Only The Best 1969 Ingredients-Flavor-Service-Value-Family Entertainment (Stylized) & Design	July 7, 2015	4,769,664
The Best Pizza in Town! (Honest)	August 9, 1983	1,247,948
The Torch	April 4, 2006	3,077,104
Wall to Wall	November 14, 2000	2,404,773
Mr. Gatti's Rewards	May 17, 2022	97/414,172
Mr. Gatti's Pizza + Tavern	October 7, 2022	97/623,516
Mr. Gatti's Pizza + Tavern (logo)	October 7, 2022	97/623,482
Mr. Gatti's Rewards	May 17, 2022	97/414,169

We, MGPLLC or MGLP have filed (or intend to file at the appropriate times) all required affidavits.

There are (i) no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court and (ii) no pending infringement, opposition or

cancellation proceedings. Except for the item disclosed immediately below, there is no pending material litigation involving the Marks that are relevant to your using the Marks.

We know of no superior prior rights or infringing use which could significantly affect your use of the Marks. There are no agreements currently in effect which significantly limit our rights to use or license you to use the Marks in any manner significant to the franchise.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. You must cooperate in the prosecution of any suit or action brought against others for infringement of any of our Marks, and you must agree to be named as a party in any such suit or action, if we ask. We will assume all costs of any such infringement suit or action which we are prosecuting, except fees or expenses of your personal legal counsel.

We have the right to monitor, supervise and control the use of our Marks by our franchisees and the nature and quality of the goods and services provided under the Marks. We have the right to substitute, modify or discontinue the use of any of the Marks, and you must comply with our standards for their use as modified, at your expense.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim copyright protection in our Brand Standards Manuals and related materials, although these materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. We do not know of any infringing uses which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

We will disclose to you certain confidential, branded or proprietary information and trade secrets. All customer information is our property and will constitute one of our trade secrets. Except as necessary for the operation of the Mr. Gatti's DELCO and as we approve, you may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the advertising, marketing, designs, plans, or methods of operation of the Mr. Gatti's DELCO or the System. You may disclose to your employees only the confidential, branded, proprietary or trade secret information necessary to operate the business and then only while the Agreement(s) are in effect.

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

You must participate in the direct operation of your Mr. Gatti's DELCO, personally or through your Managing Owner, as described below. You must designate one of your owners to serve as your "Managing Owner." If you have multiple Mr. Gatti's DELCOs or other types of Mr. Gatti's Pizza Facilities, we may require or permit you to also designate a "Regional Manager," who may, but need not be, an owner, but we may require that your Regional Manager be at least a 3% direct or indirect equity owner in you if you have 5 or more Mr. Gatti's DELCOs. Your Managing Owner will be ultimately responsible for your Regional Manager's performance. We must approve your Managing Owner and Regional Manager and they must satisfy our training and other requirements, including having some form of restaurant experience for your Regional Manager and some form restaurant management experience for your Managing Owner. Managing Owner and Regional Manager approval is also based on successful completion of our mandated

training in place at the time your Managing Owner and Regional Owner are approved as such may exist from time to time.

You must give your Managing Owner and Regional Manager sufficient decision-making authority to expedite the determinations and decisions that are essential to the effective and efficient operation of your business. Your Regional Manager or Managing Owner must devote full time and attention to the operation of your Mr. Gatti's DELCOs operating under your Development Agreement and Franchise Agreements.

In addition, you must designate a DELCO Manager whom we approve to oversee the day-to-day operation of each Mr. Gatti's DELCO you operate. The Mr. Gatti's DELCO Manager must satisfactorily complete our training program and satisfy any other requirements we prescribe in the Brand Standards Manuals. We currently require the Mr. Gatti's DELCO Manager to have prior restaurant management or operations experience. The Mr. Gatti's DELCO Manager must devote his or her full time and best efforts to management and operation of your Mr. Gatti's DELCO.

You may not hire or engage any third-party restaurant manager or operator (including existing or former franchisees) unless expressly authorized by us in writing. We do not presently intend to permit any third-party manager or operator of your Mr. Gatti's DELCO.

If your relationship with your Managing Owner, Regional Manager and/or DELCO Manager changes, you must promptly notify us and designate a qualified replacement.

If you are an entity, those of your owners whom we require (in all cases, anyone directly or indirectly holding 10% or more of an ownership interest in you) must personally guarantee your obligations under the Franchise Agreement and must agree to be personally bound by certain provisions of the Franchise Agreement, including, the confidentiality, non-competition and dispute resolution provisions of the Franchise Agreement and certain limitations on the transfer of their ownership interests. Also, if you, your guarantor(s) or your owner(s) are in default of their respective obligations under other franchise agreements or other agreements with us or our affiliates and fail to timely cure such default(s), the continuing existence of the default(s) will be deemed a default under your Development Agreement and/or Franchise Agreement. Similarly, if a bankruptcy petition is filed by or against your guarantor(s) or owner(s) and such petition is not dismissed within 90 days of the filing date, it will be a default under your Development Agreement and/or Franchise Agreement.

Your Regional Manager, DELCO Manager and any other personnel we request must sign confidentiality covenants and, unless we authorize you to omit it, a covenant not to compete. These covenants are exhibits to the Franchise Agreement. Those of your owners who are not signing the guaranty may also be required to sign these covenants and related undertakings.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use or offer for sale at your Mr. Gatti's DELCO must comply with our standards and specifications. Our standards and specifications are set forth in the Brand Standards Manuals and other written materials.

You must offer for sale and sell all, and only those, products and services that we approve or specify. You may not offer for sale or redemption any products or services that we have not approved. We have the right to change the types of authorized products and services, and there are no limits upon our right to do so.

Among other things, this means that your menu must contain only the items we have approved. You cannot change menu items without our prior written consent. We have a procedure for approving new food products you request, which is set forth in the Franchise Agreement and our Brand Standards Manuals.

If you operate a Mr. Gatti's DELCO that offers delivery services, you must provide quick and safe delivery service to all customers in your Designated Delivery Area at all times during approved hours of operation. In providing delivery service, you must maintain our standards and commitment to quality, safety and service; take driving conditions into consideration; comply strictly with all laws, regulations and rules of the road; and exercise due care and caution in the operation of delivery vehicles.

You may not advertise, promote, post or list information relating to the Mr. Gatti's DELCO on the Internet (through the creation of a website, social media, or any other digital platform) without our written approval.

You must comply with our hours of operation and holiday schedules in place at the time you open your location (current requirements include minimum hours of operations from 11:00 am to 9 pm seven days a week with closure on Thanksgiving day and Christmas day, and optional closure on Easter, July 4th and Christmas Eve).

We may exercise rights in our sole discretion with respect to a brand core menu at all related Mr. Gatti's Pizza Facilities and pricing of programs, products, and services to the fullest extent permitted by then-applicable law. These rights may include, without limitation, implementation of a brand core menu offering the same menu items in all related Mr. Gatti's Facilities, excepting for regional consumer favorites, and prescribing minimum and/or maximum retail prices which you may charge customers for the programs, products, and services offered and sold at your Mr. Gatti's Pizza Facility; advertising specific retail prices for some or all programs, products or services sold by your Mr. Gatti's Pizza Facility, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your franchised Mr. Gatti's Pizza Facility may charge the public for the programs, products and services it offers

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.

Development Agreement

Provision	Section in Development Agreement (including Addendum)	Summary
a. Length of the franchise term	Section V.	Completion of your development obligations, or 12:00 midnight on the last day of the last Development Period.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section IX.A, IX.B., IX.C. and IX.D.	We can terminate if you commit any one of several listed violations, or instead of terminating, we can terminate or modify your territorial protections, reduce size of Territory, and reduce number of Mr. Gatti's DELCOs you may develop.
g. "Cause" defined – curable defaults	Section IX.C.	Failure to pay us when due and failure to cure within 10 days after notice; failure to comply with any other agreement term that can be cured and failure to cure within 10 days after notice.

Provision	Section in Development Agreement (including Addendum)	Summary
h. "Cause" defined – non-curable defaults	Sections IX.A. and IX.B.	Material misrepresentation/omission in application; felony conviction or other crime or offense affecting Marks, misconduct, failure to meet development obligations, including site selection and site acquisition obligations; unauthorized transfer; unauthorized use of Marks; failure to comply with covenants; termination of any Franchise Agreement.
i. Your obligations on termination or nonrenewal	Section IX.F.	No additional right to develop; cease use of Confidential Information; comply with post-termination covenants against competition; pay all sums due.
j. Assignment of contract by us	Section X.A.	We may assign without restriction.
k. "Transfer" by you – definition	Section X.B.	Includes transfer of any interest in the Development Agreement, Mr. Gatti's DELCO, assets or you.
l. Our approval of transfer by you	Section X.B.	We have the right to consent to all transfers.
m. Conditions for our approval of transfer	Sections X.B.	Concurrent transfer according to their terms of all Franchise Agreements subject to Development Agreement; pay transfer fee; meet current qualifications; sign then-current form of development agreement; sign release; and guaranty obligations.
n. Our right of first refusal to acquire your business	Section X.D.	Governed by same terms as Franchise Agreement.
o. Our option to purchase your business	Section IX.F.3.	If your Development Agreement is terminated before you complete the Development Schedule, we can purchase your business.
p. Your death or disability	Section X.E.	Transfer to a party that we have approved in writing in accordance with our transfer requirements within 6 months of death/disability.
q. Non-competition covenants during the term of the franchise	Section XI.B.1. and Attachment 2	No interest in a Competing Business anywhere.
r. Non-competition covenants after termination or expiration	Section XI.B.2. and Attachment 2	Subject to applicable state law, for 2 years, no interest in any Competing Business located, operating or under development in your Territory on the date the Development Agreement terminates or expires.
s. Modification of the agreement	Section XIV.B.	Except for those permitted to be made unilaterally by us, no change is binding unless mutually agreed.
t. Integration/merger clause	Section XIV.B	Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIV.F.	Subject to certain exceptions, all disputes must be submitted to non-binding mediation before being litigated. You must in all cases have your decision-makers continually present and fully participating in mediation, including all guarantors of your Development Agreement. Failure to do so could result in your paying all costs of the mediator and all our costs and expenses related to the mediation.
v. Choice of forum	Section XIV.G.	Unless contrary to applicable state law, mediation and venue for litigation in Tarrant County, Texas.

Provision	Section in Development Agreement (including Addendum)	Summary
w. Choice of law	Section XIV.H.	Unless contrary to applicable state law, Texas law (except for Texas choice of law rules).

Franchise Agreement

Provision	Section in Franchise Agreement (including Addendum)	Summary
a. Length of the franchise term	Section IV.A.	10 years
b. Renewal or extension of the term	Section IV.B.	1 renewal term of 10 years
c. Requirements for you to renew or extend	Section IV.B.	You do not have a contractual or other right to renew the Franchise Agreement. However, we may grant you a right to renew in our sole discretion, and we may condition any grant of renewal on your satisfaction of certain renewal conditions, including but not limited to the following: Be in Good Standing; notify us not less than 6 or more than 9 months before expiration; upgrade the Mr. Gatti's DELCO; maintain site or relocate; sign standard franchise agreement in use at time of renewal; pay renewal fee; sign general release; comply with then-current qualification and training requirements. You may be asked to sign a contract with materially different terms and conditions than your original contract. If you sign the then-current agreement, the term may differ subject to the above, per the rights contained in your existing franchise agreement. This means that you may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreement.
d. Termination by you	Section XVIII.F.	You do not have a unilateral right to terminate the Franchise Agreement.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section XVIII.B. and XVIII.C.	We may terminate if you commit any one of several listed violations.
g. "Cause" defined – curable defaults	Section XVIII.D.	Failure to maintain required insurance and to cure after 5 days' notice; misuse or unauthorized use of the Marks and failure to cure within 24 hours after notice; failure to pay us when due and failure to cure within 10 days after notice; violation of the non-competition restrictions and failure to cure within 10 days after notice; failure to comply with our System Standards and failure to cure within 10 days after notice; failure to comply with any other Agreement term that can be cured and failure to cure within 10 days after notice.
h. "Cause" defined – non-curable defaults	Sections XVIII.B. and XVIII.C.	Bankruptcy or other events of insolvency; failure to comply with site selection and site acquisition provisions; failure to construct the Mr. Gatti's

Provision	Section in Franchise Agreement (including Addendum)	Summary
		DELCO in compliance with plans; failure to open by prescribed date; abandonment; felony conviction or other crime or offense that can affect Marks; threat to public health or safety; unauthorized transfer; unauthorized use of Confidential Information; maintenance or submission of false records or reports; material misrepresentations; failure to comply with quality assurance program and cure as specified; you, your guarantor(s) or your owner(s) default under other franchise agreements or other agreements with us or our affiliates and fail to cure as specified; repeated violations; a bankruptcy petition is filed by or against your guarantors or owners and it is not dismissed within 90 days; harassment and other bad acts.
i. Your obligations on termination or nonrenewal	Section XIX.A.	Cease operating the Mr. Gatti's DELCO, cease use of Confidential Information and Marks, deliver property containing the Marks, cancel assumed or similar name registrations, assign lease or de-identify, pay outstanding amounts and damages, deliver manuals, assign phone numbers, comply with covenants, refrain from selling the Mr. Gatti's DELCO building or site to a competitor.
j. Assignment of contract by us	Section XV.A.	No restriction on our right to assign.
k. "Transfer" by you-definition	Section XV.B	Includes transfer of any interest in the Agreement, Mr. Gatti's DELCO, assets or you.
l. Our approval of transfer by you	Section XV.B.	We have the right to approve all transfers. We, in our sole discretion, may set limits from time to time as to the number of Mr. Gatti's Pizza Facilities any franchisee or its affiliates (or prospective transferee and its affiliates) may own and operate at any given time, may prohibit or condition sale leaseback transactions and/or may withhold its consent to the proposed sale of all then franchisee or affiliate-owned Mr. Gatti's Pizza Facilities to a single prospective transferee via one or more transfer transactions.
m. Conditions for our approval of transfer	Sections XV.B.	Be in Good Standing; sign general release; remain liable for all obligations before transfer; pay transfer fee. Transferee must meet current qualifications, upgrade Mr. Gatti's DELCO, sign then-current form of franchise agreement, sign release; and guaranty obligations.
n. Our right of first refusal to acquire your business	Section XV.D.	We have right to match a third-party offer
o. Our option to purchase your business	Section XIX.B.	On termination or expiration of the Franchise Agreement, we have the right to purchase the assets of the Mr. Gatti's DELCO and/or take assignment of the lease for the premises of the Mr. Gatti's DELCO.
p. Your death or disability	Section XV.E.	Transfer to a party that we have approved in writing in accordance with our transfer requirements within 6 months of death/disability.

Provision	Section in Franchise Agreement (including Addendum)	Summary
q. Non-competition covenants during the term of the franchise	Section XI.C.1. Attachment 2	No involvement in Competing Business anywhere. Competing Business is defined as any business that (i)(a) is a food service facility which offers a mix of menu items including pizza and/or pasta and/or a salad bar, or which offers pizza as a primary menu item, and/or (b) is a business which features redemption or non-redemption, high tech, carnival, and/or virtual reality games, or (ii) any business that grants or has granted franchises or licenses, or establishes or has established joint ventures, for the development and/or operation of a business that offers any of the products referred to in (i) above.
r. Non-competition covenants after the franchise is terminated or expires	Section XI.C.2. Attachment 2	Subject to applicable state law, no involvement in Competing Business for 2 years at or within a 10-mile radius of your Mr. Gatti's Pizza Facility or within a 10-mile radius of any type of Mr. Gatti's Pizza Facility.
s. Modification of the agreement	Section XX.B.	Except for those permitted to be made unilaterally by us, no change is binding unless mutually agreed.
t. Integration/merger clause	Section XX.B.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XX.F.	Subject to certain exceptions, all disputes must be submitted to non-binding mediation before being litigated. You must in all cases have your decision-makers continually present and participating in mediation, including all guarantors of your Franchise Agreement. Failure to do so could result in your paying all costs of the mediator and all our costs and expenses related to the mediation.
v. Choice of forum	Section XX.G.	Unless contrary to applicable state law, mediation and venue for litigation in Tarrant County, Texas.
w. Choice of law	Section XX.H.	Unless contrary to applicable state law, Texas law (except for Texas choice of law rules).
x. Conditions for our approval of relocation request	Section II.D.	Be in Good Standing; Sign General Release; Remain liable for all obligations prior to relocation; Pay relocation fee.

18. PUBLIC FIGURES

We do not use any public figures to promote our franchise.

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 that you are considering buying; or (2) a franchisor supplements the information provided in Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Characteristics of the FPR DELCOs (defined below) included in the Financial Performance Representations below may differ substantially from your Mr. Gatti's DELCO depending on your previous experience, competition in the area, length of time that the included FPR DELCOs have operated as compared to your Mr. Gatti's DELCO, and the services or products sold at your Mr. Gatti's DELCO as compared to the included FPR DELCOs. Your individual financial results may differ substantially from the results stated in this financial performance representation. Written substantiation for this financial performance representation is available to you on reasonable request.

ANALYSIS OF HISTORICAL AVERAGE AND MEDIAN SALES

The Mr. Gatti's DELCO historical average and median sales information was prepared based on the results of Mr. Gatti's DELCOs that were open and operating for the 2024 fiscal year ended December 29, 2024. All of the Mr. Gatti's DELCOs reflected in this analysis fall within the permissible square footage range of the current Mr. Gatti's DELCO suggested format offered in this Disclosure Document and offer substantially the same food products that a franchised Mr. Gatti's DELCO being offered and sold under this disclosure document will offer. See Items 1 and 7.

Not all franchised Mr. Gatti's DELCOs are reflected in the sales analysis. This analysis does not reflect Mr. Gatti's DELCOs that either was not open for the entire 2024 fiscal year operating period, or falls outside of, or is at the far edges of, the permissible range for our prototype square footages and are not otherwise representative of the current Mr. Gatti's DELCOs suggested format offered in this disclosure document.

You should consider that the FPR DELCOs on which the sales analysis is based are generally located in the Southwestern United States, where we have a significant market presence. See Item 20 of this disclosure document. Results may differ in states where we do not presently operate FPR DELCOs or do not operate a significant number of FPR DELCOs.

The amount of sales realized will vary from Mr. Gatti's DELCO to Mr. Gatti's DELCO. The sales (and the costs and expenses) of your Mr. Gatti's DELCO will be directly affected by many factors, such as the Mr. Gatti's DELCO's size, geographic location, and competition in the marketplace; the presence of other Mr. Gatti's DELCOs or Facilities; the quality of management and service at the Mr. Gatti's DELCO; contractual relationships with lessors and vendors; the extent to which you finance the construction and operation of the Mr. Gatti's DELCO; your legal, accounting, real estate and other professional fees; federal, state and local income, gross profits or other taxes; discretionary expenditures; accounting methods used and certain benefits and economies of scale that we may derive as a result of operating FPR DELCOs on a consolidated basis. You should, therefore, use this analysis only as a reference to conduct your own analysis, and are urged to consult with your financial, business, and legal advisers to conduct your own analysis with the information contained in this Item 19.

Some Mr. Gatti's DELCOs have achieved the sales results in this analysis. Your individual results may differ. There is no assurance that you will achieve sales at the levels reflected in this analysis.

This analysis does not include any estimates of the federal income tax that would be payable on the net income from a Mr. Gatti's DELCO or state or local net income or gross profits taxes that may be applicable to the particular jurisdiction in which a Mr. Gatti's DELCO is located. Each franchisee is strongly urged to consult with its tax adviser regarding the impact of federal, state and local taxes.

The information contained in this analysis has not been audited.

TABLE 1: SUMMARY OF ANNUAL GROSS REVENUES OF FACILITIES BY QUARTILE

	# of Facilities	Average Gross Revenues	# at or Above Average Gross Revenues	% at or Above Average Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	Highest Gross Revenues
Fiscal Year 2024 - 19 Facilities							
Top 25%	5	$1,112,181.40	3	60%	$1,123,849.00	$901,994.00	$1,332,511.00
Second 25%	5	$795,616.00	3	60%	$823,938.00	$641,861.00	$881,430.00
Third 25%	5	$572,797.20	3	60%	$615,328.00	$190,738.00	$713,715.42
Bottom 25%	4	$289,405.00	2	50%	$291,846.00	$190,738.00	$436,279.00
Total	19	$713,715.42	9	47%	$641,861.00	$190,738.00	$1,332,511.00

TABLE 2: SUMMARY OF ANNUAL GROSS REVENUES OF FACILITIES BY QUARTER

	Average Gross Revenues	Highest Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	# at or Above Average Gross Revenues	% at or Above Average Gross Revenues
Fiscal Year 2024 - 19 Facilities						
Q1	$159,048.33	$299,568.00	$147,352.00	$44,909.00	10	53%
Q2	$159,973.76	$316,154.00	$153,608.00	$44,869.00	9	47%
Q3	$161,267.65	$312,869.00	$147,715.50	$43,925.00	9	47%
Q4	$211,661.74	$403,920.00	$194,180.00	$57,035.00	9	47%
Full Year	$713,715.42	$1,332,511.00	$641,861.00	$190,738.00	9	47%

Notes to Table 1 and Table 2:

The Fiscal Year 2024 data includes 19 Mr. Gatti's Pizza Facilities that have been open and operating throughout the Fiscal Year 2024 and have square footages within the permissible square footage range of a Mr. Gatti's DELCO. It does not include DELCOs opened during the Fiscal Year 2024, DELCOs permanently closed during the Fiscal Year 2024, and DELCOs outside of the permissible square footage range.

20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024

ALL TYPES OF MR. GATTI'S PIZZA FACILITIES

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	64	67	+3
	2023	67	76	+9
	2024	76	87	+11
Company-affiliated	2022	1	1	0
	2023	1	1	0
	2024	1	2	+1
Total Outlets	**2022**	**65**	**68**	**+3**
	2023	**68**	**77**	**+9**
	2024	**77**	**89**	**+12**

*In 2024, we granted a single Mr. Gatti's franchisee the right to develop 92 Mr. Gatti's Special Facilities in select Walmart Supercenter locations. While accounted for in the above chart, we do not count these Special Facilities are either Mr. Gatti's FEC Facilities or Mr. Gatti's DELCO Facilities. The franchisee opened 12 of the initial 92 locations in 2024, 8 of which are located in Texas and 4 of which are located in Oklahoma. We have not granted, and have no current future plans to grant, any additional Mr. Gatti's Special Facilities franchises to any other franchisee, whether to an existing or new franchisee Mr. Gatti's franchisee.

MR. GATTI'S DELCOS

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	17	18	+1
	2023	18	24	+6
	2024	24	24	0
Company-affiliated	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	**2022**	**17**	**18**	**+1**
	2023	**18**	**24**	**+6**
	2024	**24**	**24**	**0**

* The charts in this Item 20 reflect counts for the last 3 fiscal years of MGPLLC ended December 25, 2022, December 31, 2023, and December 29, 2024.

**The first chart in each Table reflects all combined Mr. Gatti's Pizza Facilities operating in the United

States. The second chart in each Table only reflects all Mr. Gatti's DELCOs operating in the United States.

*** The two charts reflected herein do not account for Mr. Gatti's Pizza Facility locations opened after December 29, 2024, but before renewal of this FDD.

TABLE NO.2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2022 TO 2024

ALL TYPES OF MR. GATTI'S PIZZA FACILITIES

State	Year	Number of Transfers
Indiana	2022	1
	2023	1
	2024	0
Kentucky	2022	1
	2023	3
	2024	0
Texas	2022	2
	2023	0
	2024	1
Totals	**2022**	**4**
	2023	**4**
	2024	**1**

TABLE NO. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

ALL TYPES OF MR. GATTI'S PIZZA FACILITIES

State	Year	Outlets Operating at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets Operating At Year End
Alabama	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Indiana	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Kentucky	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
	2024	14	0	0	0	0	0	14
Louisiana	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8

State	Year	Outlets Operating at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets Operating At Year End
Ohio	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	0
	2024	1	4	0	0	1	0	5
South Carolina	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Tennessee	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	35	4	0	0	0	0	39
	2023	39	6	0	0	0	0	45
	2024	45	10	0	1	0	1	53
West Virginia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	**2022**	**64**	**4**	**1**	**0**	**0**	**0**	**67**
	2023	**67**	**9**	**0**	**0**	**0**	**0**	**76**
	2024	**76**	**14**	**0**	**1**	**1**	**1**	**89**

MR. GATTI'S DELCOS

State	Year	Outlets Operating at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets Operating At Year End
Texas	2022	17	1	0	0	0	0	18
	2023	18	6	0	0	0	0	24
	2024	24	0	0	0	0	0	24
Totals	**2022**	**17**	**1**	**0**	**0**	**0**	**0**	**18**
	2023	**18**	**6**	**0**	**0**	**0**	**0**	**24**
	2024	**24**	**0**	**0**	**0**	**0**	**0**	**24**

TABLE NO. 4
COMPANY-AFFILIATED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

ALL TYPES OF MR. GATTI'S PIZZA FACILITIES

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Oklahoma	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
South Carolina	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Texas	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	**2022**	**1**	**0**	**0**	**0**	**0**	**1**
	2023	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**1**	**0**	**0**	**2**

MR. GATTI'S DELCOS

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Texas	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	**2022**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 29, 2024, FOR 2025

ALL TYPES OF MR. GATTI'S PIZZA FACILITIES

State	Development Agreements Locations Committed But Outlet Not Opened*	Franchise Agreements Signed But Outlet Not Opened**/***	Projected New Franchised Outlets in the Next Fiscal Year**/***	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	3	0	0	0

State	Development Agreements Locations Committed But Outlet Not Opened*	Franchise Agreements Signed But Outlet Not Opened**/***	Projected New Franchised Outlets in the Next Fiscal Year**/***	Projected New Company-Owned Outlets in the Next Fiscal Year
Arkansas	5	0	0	0
Georgia	10	0	0	0
Kentucky	5	1	5	0
Louisiana	5	0	3	0
Missouri	4	0	0	0
North Carolina	5	1	1	0
Oklahoma	13	0	6	0
Texas	33	4	17	0
Totals	**83**	**6**	**32**	**0**

MR. GATTI'S DELCOS

State	Development Agreements Locations Committed But Outlet Not Opened	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year***	Projected New Company-Owned Outlets in the Next Fiscal Year
North Carolina	2	0	0	0
Texas	10	1	1	0
Totals	**12**	**1**	**1**	**0**

* As noted above, these charts do not include a single transaction to develop Mr. Gatti's Special Facilities in select Walmart Supercenter locations.
** Includes Franchise Agreements signed in accordance with the terms of the Development Agreement referenced in the first column.
***Does not include or account for any new Mr. Gatti's Pizza Facility locations sold after December 29, 2024, yet projected to open in the Next Fiscal Year, 2025.

List of Current Franchisees

The names, addresses and telephone numbers of all of our Mr. Gatti's Pizza Facility franchisees and their outlets as of December 29, 2024 are attached as Exhibit D. Exhibit D includes a notation whether the franchisee's outlet is a Mr. Gatti's FEC or Mr. Gatti's DELCO.

List of Former Franchisees

Attached as Exhibit E is a list of the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Mr. Gatti's Pizza Facility franchisee who has had an outlet terminated, canceled, or not renewed by us (or our predecessors) or who otherwise voluntarily or involuntarily ceased to do business under their agreement as of December 29, 2024, or who has not communicated with us (or our predecessors) within 10 weeks of the issuance date of this disclosure document. Exhibit E includes a notation whether the franchisee's outlet was a Mr. Gatti's FEC or Mr. Gatti's DELCO.

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

Purchase of Previously-Owned Franchise

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this disclosure document.

Confidentiality Clauses

During the last three fiscal years, we have signed agreements with Mr. Gatti's Pizza Facility franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience.

Trademark-Specific Franchisee Organizations

We are not currently aware of any trade-mark specific Mr. Gatti's Pizza Facility franchisee organizations associated with the franchise system which we have created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this disclosure document.

21. FINANCIAL STATEMENTS

Our fiscal year consists of thirteen (13) four-week fiscal periods and our fiscal year ends on the last Sunday of December.

Attached to this disclosure document as Exhibit F are the following:

1. Our audited consolidated financial statements for the year ended December 29, 2024.
2. Our audited consolidated financial statements for the year ended December 31, 2023.
3. Our audited consolidated financial statements for the year ended December 25, 2022.

22. CONTRACTS

Exhibit A:	Applicant Confidentiality Agreement
Exhibit B:	Development Agreement
Exhibit C:	Franchise Agreement
Exhibit G:	General Release

23. RECEIPTS

Attached as the last 2 pages of this disclosure document are 2 Receipts. When you receive this disclosure document, you must sign both Receipts and return 1 to us, retaining the other for your records.

APPLICANT CONFIDENTIALITY AGREEMENT

EXHIBIT A

MR. GATTI'S OPERATING, LLC

APPLICANT CONFIDENTIALITY AGREEMENT

FDD No.: _____

Applicant: _____

Date of Agreement: _____

APPLICANT CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into this __ day of _____, 20__, by and among _____, a _____, and _____, a _____ (collectively, "Applicant," "you," or "your") and Mr. Gatti's Operating, LLC, a Delaware limited liability company ("Mr. Gatti's", "we", "us" or "our"), with reference to the following facts:

RECITALS

We have developed and are continuing to develop a business system for operating different types of Mr. Gatti's Pizza facilities (each a "Mr. Gatti's Pizza Facility" and collectively the "Mr. Gatti's Pizza Facilities"). We currently offer franchises for two types of Mr. Gatti's Pizza Facilities.

The first type is a Mr. Gatti's Delivery and Carry-Out Pizza Facility ("Mr. Gatti's DELCO") offering pizza, pasta, and salad available for online, over-the-phone, or in-store menu ordering to be delivered or carried out of the Mr. Gatti's Pizza Facility, with potential for limited dine-in seating. This type has a suggested format of +/- 1,200 square feet, scalable smaller or larger based on multiple factors including our approval.

The second type is a Mr. Gatti's family entertainment center ("Mr. Gatti's FEC") offering all-you-care-to-eat pizza, pasta and salad buffet for each day part or an all-you-care-to-eat pizza, pasta and salad buffet during lunch hours with menu ordering with expanded appetizer, dessert and which may include beer and wine during dinner hours, plus redemption and non-redemption games and amusements. This type has a suggested format of +/- 12,500 square feet, scalable smaller or larger based on multiple factors including our approval.

Both current types of Mr. Gatti's Pizza Facilities operate under the trade name and service mark "Mr. Gatti's Pizza" and are covered by this Agreement. We grant to persons who meet our qualifications and are willing to undertake the investment and effort a franchise to own and operate one or more types of Mr. Gatti's Pizza Facility using our System.

You are considering purchasing a franchise for a Mr. Gatti's Pizza Facility from us, and we wish to give you access to certain confidential, branded and proprietary information and documents related to our business in order to assist you to evaluate the purchase of a franchise.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Definition of Confidential Information. The term "Confidential Information" means all our confidential, branded and proprietary information or trade secrets concerning the methods of establishing and operating Mr. Gatti's Pizza Facilities, including, without limitation, (i) the System Standards, Brand Standards Manuals and all other methods, techniques, equipment, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Mr. Gatti's Pizza Facilities; (ii) marketing and promotional programs for Mr. Gatti's Pizza Facilities, including but not limited to, information regarding National Accounts programs; (iii) knowledge concerning the logic, structure and operation of computer software programs which we authorize for use in connection with the operation of Mr. Gatti's Pizza Facilities and all additions, modifications and enhancements, and all data generated from use of such programs; (iv) specifications and standards for, and sources of, construction, equipment, furnishings, fixtures, signs, products, materials, supplies, games, toys and services utilized in the development and operation of Mr. Gatti's Pizza Facilities; (v) ingredients, formulas, mixes, recipes for and methods of preparing, cooking, serving, packaging, and delivering, products sold at Mr. Gatti's Pizza Facilities; (vi) information concerning product sales, operating results, financial performance, consumer data and preferences, inventory requirements, materials and supplies and other financial data of Mr. Gatti's

Pizza Facilities; (vii) customer lists; (viii) employee selection procedures, training and staffing levels; (ix) our expansion, growth and development plans and prospects, and (x) compilations of data which we may from time to time prepare and provide to you, whether or not the information upon which such compilations are based is public information.

2. Your Agreement to Maintain Confidentiality. You acknowledge that it is important to our business to maintain the confidentiality of the Confidential Information and that we are making the Confidential Information available to you only for the limited purpose of investigating the purchase of a franchise for the Mr. Gatti's Pizza Facility. You further acknowledge and agree that the Confidential Information is proprietary to and a valuable trade secret of ours and that any disclosure or unauthorized use of the Confidential Information will cause us irreparable loss and harm. In consideration of the opportunity to obtain access to the Confidential Information, you hereby agree as follows:

A. To use the Confidential Information solely to carry out your evaluation of purchasing a franchise and/or obtaining development rights for the Mr. Gatti's Pizza Facilities. During and after your evaluation, you will not use the Confidential Information for your own use, including in connection with any business, other than Mr. Gatti's Pizza Facilities operated under valid franchise or development agreements with us. You agree not to disclose the Confidential Information, except (a) as may be required by law, or (b) to your employees, outside counsel, accountants, and other representatives or affiliates who need to know such information for the purpose of helping you evaluate the purchase of a franchise for a Mr. Gatti's Pizza Facility. In the event you or any persons to whom you disclose the Confidential Information become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, you will give us prompt prior written notice of such requirement so that we may seek a protective order or other appropriate remedy and/or waive compliance with the terms hereof. In the event that such protective order or other remedy is not obtained, or we waive compliance with provisions hereof, you agree to furnish only that portion of the Confidential Information which you are advised by written opinion of counsel is legally required and exercise your best efforts to obtain assurances that confidential treatment will be accorded such Confidential Information.

B. To ensure that all your employees, outside counsel, accountants and other representatives and affiliates who are given access to the Confidential Information on your behalf will be bound by and will conduct their evaluation in accordance with the terms of this Agreement. You will be fully responsible for any breach of this Agreement by any person to whom you give access to the Confidential Information.

C. Not to make copies of the Confidential Information except as necessary to assist you in your evaluation of the purchase of a franchise and/or development rights for the Mr. Gatti's Pizza Facilities.

D. If you do not enter into a franchise relationship with us, or upon our request, to promptly return to us all Confidential Information and to retain no copies thereof.

3. Absence of Representations or Warranties. You understand and acknowledge that we are not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and neither we nor any of our officers, directors, employees, agents or affiliates will have any liability to you or any other person resulting from your use of the Confidential Information. Only those representations and warranties, if any, that are made to you in any franchise and/or development agreements when, as, and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect. Nothing in this Agreement creates or is intended to create an obligation on the part of either party to enter into a franchise or development agreement.

4. Ownership. You acknowledge and agree that the Confidential Information is owned solely by us and that this Agreement does not grant to you any rights in or to the Confidential Information except the limited right to use the Confidential Information to evaluate the purchase of a franchise and/or development rights for the Mr. Gatti's Pizza Facilities.

5. Remedies. You agree that your obligations hereunder are necessary and reasonable in order to protect us and expressly agree that monetary damages would be inadequate to compensate us for any breach of any covenant or agreement set forth herein. Accordingly, you agree and acknowledge that any such violation or threatened violation will cause irreparable injury to us and that, in addition to any other remedies that may be available, in law, in equity or otherwise, we shall be entitled to obtain injunctive relief and specific performance against you for the threatened breach of this Agreement or the continuation of any such breach, without proof of actual damages and without posting bond.

6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the undersigned parties, their successors and assigns; provided however that the Confidential Information shall not be assigned without our prior written consent.

7. Amendments and Waiver. This Agreement may be amended only in writing executed by the parties hereto. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. Failure to enforce any provision of this Agreement in one or more instances shall not constitute a waiver of any term hereof.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

9. **Dispute Resolution.**

A. All disputes arising out of or in connection with this Agreement shall be exclusively settled by and through binding arbitration conducted in accordance with the then-current arbitration rules of the American Arbitration Association (the "Rules") by one arbitrator appointed in accordance with the Rules. The place of arbitration shall be in Fort Worth, Texas and the language of arbitration shall be English. The award rendered by the arbitrator shall include costs of arbitration, reasonable attorneys' fees and reasonable costs for expert and other witnesses, and judgment on such award may be entered in any court having jurisdiction thereof. The parties expressly agree that the arbitrator will be empowered to (at our request): (a) issue an interim order or award requiring you to cease use of our Confidential Information or trademarks, service marks or trade dress associated with Mr. Gatti's Pizza Facilities pending the outcome of the arbitration, or (b) grant injunctive relief.

B. Any suit, action or proceeding with respect to this Agreement not subject to binding arbitration may be brought by us in any court of competent jurisdiction, which shall in all cases include in the state courts of the state of Texas, County of Tarrant, or in the United States District Court for the Northern District of Texas, Fort Worth Division. For the purposes of such jurisdiction, the parties hereby irrevocably waive any objections which they may now or hereafter have to the jurisdiction or venue of any suit, action or proceeding arising out of or relating to this Agreement brought in such courts and hereby further irrevocably waive any claim that such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

C. The parties agree that any actions related to a dispute shall be conducted on an individual basis, and not as part of a common, consolidated or class action.

D. The parties hereby further irrevocably waive any right to a jury trial in any action arising out of or in connection with this Agreement or any related agreements.

In Witness Whereof, the undersigned parties have executed and delivered this Confidentiality Agreement to be effective as of the day and year first above written.

Applicant

_____

a _____

By:_____

Name:_____

Title:_____

_____

Individually

_____

Individually

MR. GATTI'S

Mr. Gatti's Operating, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____
Date:_____

DEVELOPMENT AGREEMENT

EXHIBIT B

MR. GATTI'S OPERATING, LLC

DEVELOPMENT AGREEMENT

FOR MR. GATTI'S PIZZA FACILITIES

Type(s) of Mr. Gatti's Pizza Facility
(*check as applicable*):

___ **Mr. Gatti's FEC**
___ **Mr. Gatti's DELCO**

Form dated [Insert Date]
FDD dated [Insert Date]

MR. GATTI'S OPERATING, LLC
DEVELOPMENT AGREEMENT

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MR. GATTI'S OPERATING, LLC
DEVELOPMENT AGREEMENT
FOR MR. GATTI'S PIZZA FACILITIES

This Development Agreement (the "Agreement") is made and entered into this ____ day of _____, 202_, between Mr. Gatti's Operating, LLC, a Delaware limited liability company ("Franchisor," "we," "us," or "our") and _____, a _____ ("you," "your" or "Developer"), but will only be effective between you and us once all conditions precedent to the Effective Date are fully satisfied.

RECITALS:

We have developed and are continuing to develop a business system for operating different types of Mr. Gatti's pizza facilities (each a "Mr. Gatti's Pizza Facility", and collectively "Mr. Gatti's Pizza Facilities"). We currently offer franchises for two types of Mr. Gatti's Pizza Facilities.

The first type is a Mr. Gatti's Delivery and Carry-Out Pizza Facility ("Mr. Gatti's DELCO") offering pizza, pasta, and salad available for online, over-the-phone, or in-store menu ordering to be delivered or carried out of the store, with potential for limited dine-in seating. This type has a suggested format of +/- 1,200 square feet, scalable smaller or larger based on multiple factors including our approval.

The second type is a Mr. Gatti's family entertainment center ("Mr. Gatti's FEC") offering all-you-care-to-eat pizza, pasta and salad buffet for each day part or an all-you-care-to-eat pizza, pasta and salad buffet during lunch hours with menu ordering with expanded appetizer, dessert and which may include beer and wine during dinner hours, plus redemption and non-redemption games and amusements. This type has a suggested format of +/- 12,500 square feet, scalable smaller or larger based on multiple factors including our approval.

Both current types of Mr. Gatti's Pizza Facilities operate under the trade name and service mark "Mr. Gatti's Pizza" covered by this Agreement.

You wish to obtain development rights to establish and operate one or more types of Mr. Gatti's Pizza Facilities under franchise agreements with us in the Territory, as described on the Cover Page and Exhibit B of this Agreement, and we are willing to grant you those rights on the terms and conditions set forth in this Agreement, including and in reliance on your representations and acknowledgements.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

I. DEFINITIONS

"Affiliate" means any person or entity that is controlled by, controlling or under common control with the referenced person.

"Agreement" has the meaning set forth in the introductory paragraph and includes all exhibits, schedules, attachments and addenda thereto. References to the then-current form of development agreement means the form of development agreement then being generally offered by us and includes all exhibits, schedules, attachments and addenda thereto.

"Brand Standards Manuals" means the document or documents in printed, electronic or other form, as supplemented or revised by us from time to time, which prescribe various instructions, directives,

requirements and standards of the System, a copy of which is made available by us to all franchisees. Any update, letter, bulletin or other item in writing delivered by us to you containing instructions, directives, requirements or standards pertaining to the System shall be deemed part of the Brand Standards Manuals, regardless of whether consistent with the format of the Brand Standards Manuals or expressly designated for inclusion in the Brand Standards Manuals.

"Business Day", for purposes of Sections VII.H. ("Legal Compliance and Business Practices") and XIV.A. ("Notices") and the Notices provision of Attachment 2 ("Confidentiality and Non-Compete Agreement") means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, the day following Thanksgiving Day, and Christmas Day.

"Competing Business" means any business, except any type of Mr. Gatti's Pizza Facility operated under a valid franchise agreement with us or our affiliates, that (i)(a) is a food service facility which offers a mix of menu items including pizza and/or pasta and/or a salad bar, or which offers pizza as a primary menu item, and/or (b) is a business which features games, or (ii) any business that grants or has granted franchises or licenses, or establishes or has established joint ventures, for the development and/or operation of a business that offers any of the products referred to in (i) above.

"Computer System" means the computer hardware and software we designate from time to time for use in all facets of the operation of Mr. Gatti's Pizza Facilities.

"Confidential Information" means our confidential, branded and proprietary information or trade secrets concerning the methods of establishing and operating Mr. Gatti's Pizza Facilities, including, without limitation, (i) the System Standards and all other methods, techniques, equipment, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Mr. Gatti's Pizza Facilities; (ii) marketing and promotional programs for Mr. Gatti's Pizza Facilities, including but not limited to, information regarding National Accounts programs; (iii) knowledge concerning the logic, structure and operation of computer software programs which we authorize for use in connection with the operation of Mr. Gatti's Pizza Facilities and all additions, modifications and enhancements, and all data generated from use of such programs; (iv) specifications and standards for, and sources of, construction, equipment, furnishings, fixtures, signs, products, materials, supplies, games, toys and services utilized in the development and operation of Mr. Gatti's Pizza Facilities; (v) ingredients, formulas, mixes, recipes for and methods of preparing, cooking, serving, packaging, and delivering, products sold at Mr. Gatti's Pizza Facilities; (vi) information concerning product sales, operating results, financial performance, consumer preferences, inventory requirements, materials and supplies and other financial data of Mr. Gatti's Pizza Facilities; (vii) customer lists; (viii) employee selection procedures, training and staffing levels; (ix) our expansion, growth and development plans and prospects, and (x) compilations of data which we may from time to time prepare and provide to you, whether or not the information upon which such compilations are based is public information.

"Controlling Interest" means the direct or indirect power to direct the management and policies of a person or entity, including those relating to the payment of financial obligations, whether through the ownership of voting securities or interests, by contract, or otherwise, each as reasonably determined by us.

"Development Schedule" means the schedule in Exhibit B to this Agreement which designates the number and type of Mr. Gatti's Pizza Facilities to be established and operated by you in the Territory upon the expiration of each designated Development Period.

"Development Period(s)" means the discrete periods set forth in the Development Schedule within which you must establish and have in operation the designated number and type of Mr. Gatti's Pizza Facilities.

"Effective Date" means the date set by us and affixed to this Agreement upon which this Agreement will be deemed effective and valid as between you and us; provided that in all cases the Effective Date will not be set and/or affixed and this Agreement will not be deemed effective and valid as between you and us unless or until (1) you and your Owners have fully executed this Agreement and returned such fully executed Agreement to us; (2) you have paid in full in available funds all development fees that are or were due and payable to us concurrent with the execution of this Agreement; and (3) we have fully counter-signed this Agreement. You acknowledge and agree that even if an Effective Date is set and affixed to this Agreement, this Agreement is not valid and effective until all Effective Date conditions precedent have been fully satisfied, and that if you fail to satisfy all Effective Date conditions precedent within 10 days of the date you and your Owners fully executed and returned this Agreement to us then our offer of the franchise to you will be deemed automatically withdrawn and we will have no obligation to countersign or return an executed version of this Agreement to you, and you will have no franchise or other rights under this Agreement.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, fire or other catastrophe or other forces beyond your control.

"Franchise Agreements" means franchise agreements for Mr. Gatti's Pizza Facilities executed pursuant to this Development Agreement, as described in Section IV.A.1., and includes all exhibits, schedules, attachments and addenda thereto. References to the then-current form of franchise agreement means the form of franchise agreement then being generally offered by us and includes all exhibits, schedules, attachments and addenda thereto.

"Good Standing" means (i) you are current on all payments due to us, our Affiliates, our vendors, your suppliers, and your landlord, and you are current on all wage payments legally owed to your employees, (ii) you have met your Development Schedule, (iii) you are not in default of any Franchise Agreement, (iv) you have passed our most recent inspection and are otherwise in compliance with our System Standards, and (v) you are actively marketing the Mr. Gatti's Pizza Facilities to be developed hereunder in accordance with our current marketing programs.

"Immediate Family" means the spouse of a person, the natural and adoptive parents, natural and adopted siblings, and natural and adopted children of such person and their spouses.

"Intellectual Property" means our brand names, symbols, trade dress, trademarks, service marks, logos, copyright, patents, proprietary information, and other intellectual property.

"Internet" means a global computer-based communications network.

"Intranet" means a restricted global computer-based communications network.

"Managing Owner" means the Owner you designate, and we approve to assume responsibility for and to supervise all aspects of the operation of the business contemplated by this Agreement, in accordance with Section VIII.A. of this Agreement.

"Marks" means the trade name and service mark "Mr. Gatti's Pizza" and other trade names, service marks, trademarks, logos, and commercial symbols that we designate from time to time in writing, which may also include "Mr. Gatti's" and "Gatti's".

"Mr. Gatti's DELCO" or "Mr. Gatti's DELCOs" have the meanings attributed to them in the Recitals to this Agreement.

"Mr. Gatti's FEC" or "Mr. Gatti's FECs" have the meanings attributed to them in the Recitals to this Agreement.

"Mr. Gatti's Network" means the network of company owned and franchised Mr. Gatti's Pizza Facilities of all types operating under the "Mr. Gatti's Pizza" name and/or using some or all of the Marks and/or System from time to time.

"Mr. Gatti's Pizza Facility" or "Mr. Gatti's Pizza Facilities" have the meanings attributed to them in the Recitals to this Agreement, but these terms more expansively also mean any and all delivery and carry-out and/or family entertainment facilities that are operating under some or all aspects of the System and some or all of the Marks (including but not limited to Gatti's, Mr. Gatti's and GattiTown), that can contain more than, less than or similar interior square feet to a Mr. Gatti's Pizza Facility and that may or may not have games and other amusements, but can also mean the type of Mr. Gatti's Pizza Facility operated by you as defined on the cover page of this Agreement at and from the Approved Location under this Agreement, including all of its assets, revenue and income, and physically including the entire interior and exterior of the site (inclusive of parking area) at which the Mr. Gatti's Pizza Facility is operated. References to multiple Mr. Gatti's Pizza Facilities operated by you or your Affiliates means additional Mr. Gatti's Pizza Facilities operated by you or your Affiliates under valid franchise agreements with us.

"National Accounts" means contracts entered into by us on behalf of the Mr. Gatti's Network with businesses which operate in multiple local, regional or national locations.

"Owners" means each person holding a direct or indirect, legal or beneficial, ownership interest in you and in any entity with a direct or indirect Controlling Interest in you.

"Person" (whether or not initially capitalized) means an individual or legal entity, including, without limitation, any corporation, limited liability company, general or limited partnership.

"Regional Manager" means a qualified individual who meets the requirements in Section VIII.A. of this Agreement, and who is designated by you and approved by us to supervise your operations under this Agreement.

"Special Facility" means (a) an express unit, a mini-Mr. Gatti's Pizza Facility, or similar fixed installation that contains all necessary items to offer and sell a full or limited range of approved food and beverage products and services, and is located in an enclosed mall, airport, sports arena, hospital, train or bus station, theme park, zoo or aquarium, military base, higher education campus, office building, convention center, regional or national retailer, or other special use facility; and (b) a kiosk, booth, mobile dispensing unit (such as a cart or customized mobile vehicle) or other mobile installation at or from which select approved food and beverage products and services may be sold to customers under the Marks, any of which may operate on a permanent, temporary or seasonal basis.

"System" means our business system for the establishment and operation of Mr. Gatti's Pizza Facilities offering the products and services we authorize and approve and utilizing the Marks and our business formats, methods, procedures, signs, designs, layouts, equipment, and System Standards, all of which we may change, improve, and further develop from time to time.

"System Standards" means mandatory and suggested specifications, standards, operating procedures and rules that we develop and prescribe from time to time for the operation of Mr. Gatti's Pizza Facilities, as more fully described in the form of Franchise Agreement attached hereto as Exhibit A.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of

such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by our net income.

"Territory" means the geographic area described in Exhibit D to this Development Agreement, excluding those areas covered by any existing contractual commitments we may have whether or not such excluded areas are specifically identified in this Agreement.

II. GRANT

A. Grant of Rights. We hereby grant to you the right, and you accept the obligation, to develop the specific type(s) of Mr. Gatti's Pizza Facilities set forth on the Cover Page and Exhibit B of this Agreement within the Territory, in accordance with the terms and conditions set forth in this Agreement. Your development rights shall be exercised following satisfaction of the conditions set forth in Section IV.A. of this Agreement and as provided in the Development Schedule.

B. Scope of Developer's Rights. You acknowledge and agree that the rights granted hereunder pertain only to the development of the specific type(s) of Mr. Gatti's Pizza Facilities described on the Cover Page and Exhibit B to this Agreement, and that except as set forth in the ROFO (defined below) this Agreement does not confer upon you a right or franchise to establish or operate any other types of Mr. Gatti's Pizza Facilities. This Agreement is intended by the parties only to set forth the terms and conditions which, if fully satisfied, will entitle you to obtain Franchise Agreements for the establishment and operation of Mr. Gatti's Pizza Facilities within the Territory. This Agreement is not a franchise agreement and does not grant to you any right or license to operate a Facility or distribute goods or services, or any right to use or interest in the Marks. You further acknowledge and agree that the rights and duties set forth in this Agreement are personal to you and that we have granted such rights in reliance on the representations and warranties of you and your Owners, including, without limitation, your representation and that of your Owners that you and they have entered this Agreement for the purpose and with the intention to fully comply with your development obligations hereunder.

C. Retained Rights; ROFO. Provided that you are in Good Standing, during the Term of this Agreement, if we desire to pursue a third-party franchise transaction for a bricks and mortar Mr. Gatti's FEC or Mr. Gatti's DELCO within your Territory, we will first provide you written notice that we desire to pursue a franchise transaction with a third party for a bricks and mortar Mr. Gatti's FEC or Mr. Gatti's DELCO at one or more specified areas or locations within your Territory. You shall have thirty (30) days from the receipt of such notice to exercise this right of first offer ("ROFO") by signing our then current form of Franchise Agreement, and paying any initial franchise fee and construction oversight fee you may owe for that location, designating your intent to open a bricks and mortar Mr. Gatti's FEC or Mr. Gatti's DELCO at such specified area(s) or location(s) in your Territory. If you do not fully and timely exercise the ROFO once triggered by us, then your ROFO for such specified area(s) or location(s) shall automatically expire, and we shall have all rights to pursue and grant a franchise for a Mr. Gatti's FEC or Mr. Gatti's DELCO at such specified area(s) or location(s) as and when we deem appropriate without further notice to you. You are only granted a ROFO for similar format facilities as being developed in accordance with your Development Schedule. The deadlines set forth in this Section relating to the ROFO are subject to our then current ability to comply with all applicable franchise-specific or other disclosure obligations, and such deadline may be reasonably extended by us to ensure such compliance. Should you decide to not exercise your ROFO for the designated area(s) or location(s) and a bricks and mortar Mr. Gatti's FEC or Mr. Gatti's DELCO is opened at such specified area(s) or location(s) in your Territory, such Mr. Gatti's FEC or Mr. Gatti's DELCO will be afforded a Protected Area under the respective Franchise Agreement that will reduce your Territory, but we will permit you to develop an additional Mr. Gatti's Pizza Facility in the remaining Territory subject to the other location(s)' Protected Area, or designate a new Territory to be approved by us in our sole direction, under this Agreement at no additional cost to you. You will receive no other

exclusivity or related rights in the Territory, and you expressly agree that we and our Affiliates retain all other rights, including, without limitation, the following:

(i) the exclusive right to establish and license others to establish Special Facilities using some or all of the Marks and/or System from time to time at any location within the Territory;

(ii) Subject to the ROFO, the exclusive right to establish and license others to establish all types of Mr. Gatti's Pizza Facilities within the Territory, including Mr. Gatti's FECs, Mr. Gatti's DELCOs and other pizza and/or dining and entertainment facilities using some or all of the Marks and/or System from time to time at any location within the Territory;

(iii) the exclusive right to establish and license others to establish all types of Mr. Gatti's Pizza Facilities outside the Territory, including locations that are adjacent or proximate to the boundary of the Territory;

(iv) the exclusive right to develop and establish other business systems using the Marks, or other similar or dissimilar names or marks, and to grant licenses to use those systems without providing any rights to you;

(v) the exclusive right to advertise and promote the System for all types of Mr. Gatti's Pizza Facilities within and outside the Territory;

(vi) the exclusive right to acquire and be acquired by any company, including a company operating one or more food service or entertainment businesses (including a business similar to any type of Mr. Gatti's Pizza Facility); and

(vii) the exclusive right to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, licensing and sale of any and all food, beverages, games, or other services and products under the Marks, or under other names or marks, through any method of distribution and to any customers (including, without limitation, National Accounts) on such terms as we determine to be appropriate in our sole discretion.

III. FEES

A. Development Fees and Initial Franchise Fees. Upon the execution of this Agreement, you shall pay to us a development fee of $_____ (calculated as 100% of the total aggregated amount of initial franchise fees payable for all of the Mr. Gatti's Pizza Facilities to be developed under this Agreement). The development fee is deemed fully earned and nonrefundable by us for the administrative and other expenses we have incurred and for the development opportunities we have lost or deferred by granting you the rights set forth herein. For the avoidance of doubt, you acknowledge this Agreement will not be effective until you have paid the development fee in full, but in all cases partially paid fees are deemed fully earned and non-refundable by us.

B. Royalty Fee. The royalty fee for each Franchise Agreement entered into pursuant to this Agreement shall be an amount equal to five percent (5%) of the Gross Sales (as defined in the Franchise Agreement) of the Mr. Gatti's Pizza Facility. You shall also pay us the then current additional fees set forth in each applicable Franchise Agreement.

C. Past Due Amounts; Acceptance and Application of Payments.

1. Any payment not actually received by us on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by you to us. Any payment not actually

received by us at our corporate office on or before ten (10) days following the due date shall be deemed overdue. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

2. Our acceptance of any payments subsequent to the due date shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement.

3. We will have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

4. You will have no right to withhold any payments due us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due us against any obligation that we may owe you.

D. Electronic Funds Transfer. Upon prior written notice to you, we may require that all fees and any other payments owed under this Agreement (including, without limitation, the Initial Franchise Fees, the Construction Oversight Fee and the costs of procuring any required insurance coverage that you fail to procure as required by this Agreement) or any Franchise Agreement be effected, at your cost, through electronic debit/credit transfer of funds programs that we specify from time to time, and you agree to sign such documents (including independent transfer authorizations), pay such fees and costs and do such things as we deem necessary to facilitate electronic transfers of funds. You agree to maintain sufficient funds in the appropriate accounts for such withdrawals.

IV. EXERCISE OF DEVELOPMENT RIGHTS

A. Franchise Agreement Execution.

1. You shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with us for each Mr. Gatti's Pizza Facility to be developed hereunder. The Franchise Agreement for the first Mr. Gatti's Pizza Facility to be developed by you under this Agreement shall be in the form of the Franchise Agreement attached as Exhibit A. All subsequent Mr. Gatti's Pizza Facilities developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by us for new franchisees for the specific type(s) of Mr. Gatti's Pizza Facilities being developed. These franchise agreements shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by you in accordance with this Section IV. You agree to sign and return the Franchise Agreement to us within fifteen (15) days after it is delivered to you, together with the fees required to be paid at the time the Franchise Agreement is signed. We may withdraw our offer to grant a franchise for a Mr. Gatti's Pizza Facility if you fail to deliver to us a fully signed Franchise Agreement, together with all required payments, within such fifteen (15) day period.

2. Before exercising any development right granted hereunder, you shall apply to us for a franchise to operate a Mr. Gatti's Pizza Facility within the Territory. If we determine, in our sole

discretion, that you have met each of the following operational, financial, and legal conditions, then we will grant you a franchise for a Mr. Gatti's Pizza Facility in the Territory:

(a) Operational Conditions: You must be in compliance with the Development Schedule and this Agreement and you and your Affiliates must be in compliance with any other agreement between you or them and us or our Affiliates. You must be operating your existing Mr. Gatti's Pizza Facilities, if any, and must be capable of operating the proposed Mr. Gatti's Pizza Facility in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Brand Standards Manuals.

(b) Financial Conditions: You acknowledge and agree that it is vital to our interest that each of our developers and franchisees be financially sound and that the failure of a Mr. Gatti's Pizza Facility would adversely affect our reputation and good name and the reputation and good name of other facilities operating under the Marks and other similar marks. You and your Owners must satisfy our then-current financial criteria for developers and owners of Mr. Gatti's Pizza Facilities. You and your Owners must have performed and must be performing all terms and conditions under each of the existing Franchise Agreements with us. You must not be in default and must not have been in default during the twelve (12) months preceding your application for a franchise, of any monetary obligations owed to us or our Affiliates under any Franchise Agreement or other agreement between you or your Affiliates and us or our Affiliates. Those of your Owners whom we require must agree to guaranty your obligations under each Franchise Agreement you enter into.

(c) Legal Conditions: You must have submitted to us, in a timely manner, all information and documents requested by us as a basis for the issuance of individual franchises or pursuant to any right granted to us by this Agreement or by any Franchise Agreement.

3. If the ownership of a Mr. Gatti's Pizza Facility will be different from the ownership of you, we will have the right to approve such differences in ownership and may decline to grant a franchise for the Mr. Gatti's Pizza Facility if we disapprove of such differences in ownership.

B. Development Schedule. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section IV.A. and the Development Schedule. Your failure to adhere to the Development Schedule (including any extensions obtained from us in writing) or to any time period for the development of replacement Mr. Gatti's Pizza Facilities shall constitute a material breach of this Agreement. At our discretion, we may require you to meet with us to discuss your time and business plan for developing Mr. Gatti's Pizza Facilities from time to time.

C. Development Agreement Extension Right. Although you are required to open each Mr. Gatti's Facility and commence business in accordance with the timelines set on the Development Schedule, if you are behind on development of your Mr. Gatti's FEC and you believe you will not open your Mr. Gatti's FEC and commence operations by end of the Development Period, you may seek up to two separate 6-month extensions of the Development Period commencing on the expiration of the applicable Development Period, including any previous extensions if any ("Extension Date") by requesting an extension in writing at least 60-days prior to the end of the Development Period. Such request must contain an explanation for the delay, an anticipated opening date and payment of an extension fee equal to $10,000 if you have signed a lease or purchase agreement for real property or $12,500 if you have not signed a lease or purchase agreement for real property. You will be granted the extension of the Development Period to the Extension Date if you fully and timely meet all of our extension conditions, but such Extension Date will only apply to the specific Mr. Gatti's FEC to which the request applied. If an extension is requested in

the final Development Period, the term of this Agreement will be extended to the Extension Date, and you will have no further rights under this Agreement.

V. TERM

The term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date you have completed your development obligations under this Agreement, or (ii) 12:00 midnight on the last day specified in the Development Schedule.

VI. SERVICES WE PROVIDE

During the term of this Agreement, we agree to provide, or cause to be provided, to you the following deliverables at our discretion:

A. Training. Access to initial training of your Managing Owner and any Regional Manager in accordance with Section VIII.B. of this Agreement. With our prior written consent and subject to our then-current certification procedures, we may authorize you to implement a training program for the employees of the Mr. Gatti's Pizza Facilities developed pursuant to this Agreement in accordance with our then-current standards.

B. Brand Standards Manuals. A copy of our confidential Brand Standards Manuals as they relate to the development of Mr. Gatti's Pizza Facilities, in a format our determination, or access to the Intranet site where our Brand Standards Manuals may be published for each Mr. Gatti's Pizza Facility to be developed hereunder. We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

C. Franchisor Deliverables and Assistance. Notwithstanding the above, you acknowledge that we have full discretion to determine which deliverables under this Agreement will be applicable to you, and when and how such deliverables will be performed if we deem them applicable to you. If we determine that certain deliverables are not applicable to you based on your particular circumstances, our decision on any such deliverables is final and binding on you.

VII. YOUR ACKNOWLEDGEMENTS AND AGREEMENTS

To induce us to sign this Agreement and grant you the rights contemplated hereby, you acknowledge and agree as follows:

A. Accuracy of Application. The statements made in your application and the materials you submitted to us are complete and accurate and do not contain any material misstatements or omissions.

B. Organization. If at any time during the term of this Agreement you are a corporation, partnership, limited liability company or other legal entity: (i) you are duly organized and validly existing under the law of the state of your formation; (ii) you are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification; and (iii) you have the authority to execute, deliver and perform your obligations under this

Agreement. You agree to provide to us a current list of your Owners, within ninety (90) days following the end of each fiscal year. Such list shall specifically designate your Managing Owner and shall further identify all of your officers and directors and any Regional Manager, whether or not such persons are Owners.

C. Ownership. Your ownership structure is accurately and completely described in Exhibit C and you and your Owners will change that ownership structure only in accordance with the procedures contemplated by this Agreement. Your organizational documents or partnership agreement will provide that the issuance and transfer of ownership interests in you are restricted by the terms of this Agreement, and your stock certificates or other instruments evidencing ownership interests in you will bear a legend referring to that restriction.

D. Owners' Undertakings. At our request, each of your current and future Owners will sign the Guaranty and Assumption Agreement ("Guaranty") attached to this Agreement. Those of your Owners who are not required to sign the Guaranty will each sign a Confidentiality and Non-Compete Agreement, with Owner's undertakings, in the form of Attachment 2 to this Agreement.

E. Independent Investigation. You acknowledge that you have conducted an independent investigation of the System and the Mr. Gatti's Network. You recognize that the success of this business venture involves substantial business risks. We expressly disclaim making, and you acknowledge that you have not received or relied on, any warranty or guarantee, express or implied, as to the potential success of the business venture contemplated by this Agreement, Mr. Gatti's Pizza Facilities (including, without limitation, the potential volume or profits of any Mr. Gatti's Pizza Facility to be developed hereunder), the System, or the Mr. Gatti's Network.

F. Consultation with Advisors. You acknowledge that you have received, read and understand this Agreement and the related Attachments and Exhibits and that we have afforded you sufficient time and opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

G. FTC Rule Compliance. You acknowledge that you received a complete copy of this Agreement and all related Exhibits, Attachments and Addenda and that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" within the time periods required by applicable federal and state laws.

H. Legal Compliance and Business Practices. You will secure and maintain in force in your name all required licenses, permits and certificates relating to the conduct of your business pursuant to this Agreement. You will comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. You agree to refrain from any business or advertising practice that may be injurious to our business and the goodwill associated with the Marks, the System or the Mr. Gatti's Pizza Facilities.

I. No Competing Interests. You warrant and represent that neither you nor any of your Affiliates, Owners, or Immediate Family members own, operate or have any financial or beneficial interest in any Competing Business.

J. Business Plan. You will maintain sufficient financial resources to fulfill your obligations under this Agreement and under the Franchise Agreements executed pursuant to this Agreement. You shall submit to us for our review and approval, a written business plan for the development and financing of the Mr. Gatti's Pizza Facilities in the Territory in accordance with the Development Schedule, including details of the sources and terms of financing and such other information or documents required by us. Among other factors, we will consider your proposed debt/equity ratio, cash flow and your debt service. Your first

business plan is due within sixty (60) days after the signing of this Agreement. The business plan for each fiscal year thereafter must be submitted to us for annual review prior to the end of the previous fiscal year. You agree to consider modifications to your business plan recommended by us, to implement the business plan approved by us and to advise us of any material modifications to your business plan. You acknowledge that our approval of your business plan does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Mr. Gatti's Pizza Facilities developed under this Agreement will be profitable or otherwise successful.

K. Terrorist and Money Laundering Activities. You and your Owners represent and warrant to us that neither you, nor any Owner, nor any of their respective Affiliates is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ ofac/). Further, you and your Owners represent and warrant that neither it nor any Owner or Affiliate referred to above has violated and agrees not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act (text currently available at http://www.epic.org/privacy/terrorism/ hr3162.html), U.S. Executive Order 13244 (text currently available at http://www.treas.gov/offices/ enforcement/ofac/sanctions/terrorism.html), or any similar law. The foregoing constitute continuing representations and warranties, and you and the Owners shall immediately notify us in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

L. No Mandatory Security or Employment Directives. You acknowledge and agree that the System does not include any mandatory personnel policies or procedures or security-related policies or procedures, even if we (at our option) may make certain materials available to you in the Brand Standards Manuals or otherwise for your optional use. You will determine to what extent, if any, personnel or security-related policies and procedures might apply to operations at the Mr. Gatti's Pizza Facilities. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of your Mr. Gatti's Pizza Facilities' employees or patrons.

VIII. YOUR OBLIGATIONS

A. Site Selection. You assume all cost, liability, expense and responsibility for selecting, obtaining and developing a site within the Territory for each Mr. Gatti's Pizza Facility to be developed pursuant to this Agreement. Your specific site selection obligations are set forth in the Franchise Agreement you will sign for each Mr. Gatti's Pizza Facility, but if you have not signed a Franchise Agreement as of the date you sign this Agreement, your site selection obligations will be as set forth in the form of Franchise Agreement attached as Exhibit A to this Agreement.

B. Insurance. You must purchase and maintain at your own expense liability insurance to cover your development activities under this Agreement, including at minimum amounts we may set from time to time in the Brand Standards Manuals.

IX. TERMINATION; POST TERMINATION OBLIGATIONS

A. Termination Without Notice or Cure. You shall be deemed to be materially in default under this Agreement and all rights granted herein shall automatically terminate without notice to you if:

1. You become insolvent or make a general assignment for the benefit of creditors or file a voluntary petition under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state or admit in writing your inability to pay your debts when due;

2. You are adjudicated bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state;

3. A bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

4. Proceedings for a composition with creditors under any state or federal law are instituted by or against you;

5. A final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

6. You are dissolved;

7. Execution is levied against your business or property;

8. Suit to foreclose any lien or mortgage against the premises or equipment of any business operated hereunder or under any Franchise Agreement is instituted and not dismissed within thirty (30) days; or

9. The real or personal property of any business operated hereunder or under any Franchise Agreement is sold after levy by any sheriff, marshal or constable.

B. Termination on Notice. You shall be deemed to be materially in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon written notice to you, upon the occurrence of any of the following events of default:

1. If you fail to satisfy your development obligations as set forth in Section IV.B. of this Agreement and the Development Schedule.

2. If you or any of your Owners are indicted for, convicted of, or plead guilty to or do not contest a felony charge, or any other crime or offense that may adversely affect the operation of your Mr. Gatti's Pizza Facilities, the System, the Mr. Gatti's Network, the Marks, the goodwill associated therewith, or our interests therein.

3. If you or any of your Owners have made any material misrepresentation or omission in your application for this Agreement, or in connection with any transfer of this Agreement, or breach in any material respect any of the representations, warranties and covenants in Section VII. of this Agreement.

4. If you or any of your Owners purport to sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including, without limitation, any or all of your rights or obligations hereunder), the business operated under this Agreement, or in you without our prior written consent in violation of Section X, or if an approved transfer upon death or permanent disability is not affected within the time period and in the manner prescribed by Section X.E.

5. If you or any of your Owners or the members of your or any of your Owners' Immediate Families violate the restrictions on ownership of or performing services for a Competing Business set forth in Section XI.B. of this Agreement.

6. If you or any of your Owners make any unauthorized use of the Marks, or challenge or seek to challenge the validity of the Marks.

7. If you or any of your Owners make any unauthorized use, disclosure or duplication of the Confidential Information.

8. If we have delivered a notice terminating a franchise agreement executed pursuant to this Agreement, or any other agreement with us, in accordance with its terms and conditions, or you have terminated a franchise agreement with us without cause for any type of Mr. Gatti's Pizza Facility operating under our Marks.

9. If you fail to satisfy any conditions precedent to the effectiveness of this Agreement.

10. If we receive credible evidence, which we verify to our reasonable satisfaction, that you, any guarantor(s) or any Owner(s) under this Agreement has sexually harassed or intimidated any individual; has intentionally engaged in racial, ethnic, religious, sexual or other offensive discrimination against any individual or group; has knowingly engaged in any other activity or business practice that we reasonably consider detrimental to our reputation or the public image or the reputation or public image of the Mr. Gatti's Network; has acted in a manner that conflicts with our business philosophy and culture or with our franchisees' best interests regardless of whether you, any guarantor(s) or any Owner(s) under this Agreement benefitted; or has knowingly engaged in conduct that is grossly unethical in relation to the culture and business values on which the Mr. Gatti's Network is founded, whether or not the behavior or conduct constitutes a violation of federal, state or local law.

C. Termination After Notice and Opportunity to Cure. Upon the occurrence of any event set forth below, you shall be deemed to be materially in default, and we may, at our option, terminate this Agreement and all rights granted hereunder, by giving you written notice stating the nature of the default and the applicable cure period (defined below). You may avoid termination by curing such default to our satisfaction within the time period set forth below or such longer period as applicable law may require or we may permit in writing ("cure period"). If a default is not cured within the cure period, your rights under this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period.

1. If you or any of your Affiliates fail, refuse or neglect promptly to pay when due any monies owing to us or any of our Affiliates and fail to cure such default within ten (10) days (or any longer period specified in the applicable agreement) following written notice.

2. If you fail to comply with any other term or condition imposed by this Agreement and do not correct such failure within ten (10) days following written notice from us.

D. Additional Remedies. Upon a default by you under Section IX.B. or IX.C., we may, in our sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to you in Section II., (ii) reduce the size of the Territory, (iii) reduce the type or number of Mr. Gatti's Pizza Facilities which you may establish pursuant to the Development Schedule.

1. If we elect to exercise one or more of the additional remedies set forth above, you shall continue to develop Mr. Gatti's Pizza Facilities in accordance with your rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section IX.D., you acknowledge that we shall be entitled to establish, and to license others to establish, Mr. Gatti's Pizza Facilities in some or all of the Territory, except as may be otherwise provided under any Franchise Agreement which is then in effect between us and you.

2. Our exercise of any of our remedies under this Section IX.D. shall not constitute a waiver by us to exercise our option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

E. Effect on Franchise Agreements; Remedies Non-Exclusive.

1. No default under this Agreement shall constitute a default under any Franchise Agreement, unless the default is also a default under the terms of such Franchise Agreement.

2. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

F. Post-Termination Obligations. Upon the termination or expiration of this Agreement, you shall have no right to establish or operate any Mr. Gatti's Pizza Facility for which a Franchise Agreement has not been executed by us and delivered to you at the time of termination or expiration (but may, subject to Section IX.F.3., below, complete development of and/or operate Mr. Gatti's Pizza Facilities under then existing Franchise Agreements) and we may develop, or authorize others to develop, Mr. Gatti's Pizza Facilities in the Territory. Upon the expiration or termination of this Agreement:

1. You and your Owners shall comply with the restrictions against the use and disclosure of the Confidential Information contained in Section XI.A. and the covenants restricting activities in any Competing Business contained in Section XI.B.2. Those of your Owners required to execute the Confidentiality and Non-Compete Agreement attached as Attachment 2 shall comply with the covenants set forth therein, whether or not such person has signed this Agreement or a Confidentiality and Non-Compete Agreement.

2. You shall promptly pay all sums owing to us and our Affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you (including, without limitation, any such expenses incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Section IX.F).

3. In the event this Agreement is terminated prior to the completion of the Development Schedule, we shall have the option, exercisable upon written notice delivered to you within thirty (30) days following the termination or expiration of this Agreement, to purchase from you at fair market value any or all of the leasehold interests, furnishings, equipment, signs, fixtures, supplies, games, materials and other assets related to the operation of the Mr. Gatti's Pizza Facilities that you then operate under Franchise Agreements with us. Such purchase shall be governed by the purchase terms and conditions set forth in the Franchise Agreements for each Mr. Gatti's Pizza Facility.

X. TRANSFER

A. By Us. We shall have the right to transfer or assign this Agreement and all or any part of our rights in or obligations under this Agreement to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all our obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party, offer our securities privately or publicly, merge with or acquire or be acquired by other corporations, or undertake a refinancing, re-capitalization, leveraged buyout or other economic or financial restructuring.

B. By You and Your Owners. You acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted such rights in reliance on the business skill, financial capacity and personal character of you and your Owners. Accordingly, neither you nor any Owner, nor any of your or your Owners' successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including, without limitation, any or all of your rights or obligations hereunder), the business operated under this Agreement, or in you without our prior written consent. We will not approve a transfer of this Agreement except in conjunction with a transfer of all Franchise Agreements for Mr. Gatti's Pizza Facilities located in the Territory. Any purported agreement, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

1. If you wish to transfer all or part of your interest in this Agreement or in the business operated hereunder, or if you or an Owner wish to transfer any interest in you, the transferor and the proposed transferee shall apply to us for our consent. We will not unreasonably withhold our consent to a proposed transfer, but we may, in our sole discretion, require any or all of the following as conditions to our approval of any such transfer:

a. You must be in Good Standing;

b. You, your Owners, the transferor and its owners, as applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims, against us, our Affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any Franchise Agreement and any other agreement between you and us or any of our Affiliates and under federal, state or local laws, rules, regulations and orders;

c. The transferee shall enter into a written agreement, satisfactory to us, assuming full, unconditional, joint and several, liability for and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of you under this Agreement, and, if transferee is a corporation, partnership, limited liability company, or other legal entity, such of transferee's owners as we may designate shall guarantee the performance of all such obligations, covenants and agreements;

d. The transferee shall execute the standard form development agreement then being offered to new developers of Mr. Gatti's Pizza Facilities or a revised form of this Agreement, as we deem appropriate, and such other ancillary agreements as we may require, which agreements shall supersede this Agreement in all respects and the terms of which may differ from the terms of this Agreement. If the transferee is a corporation, partnership, limited liability company, or other legal entity, such of the transferee's owners as we may designate shall execute such agreement guaranteeing the performance of all such obligations, covenants and agreements;

e. The transferee shall demonstrate to our satisfaction that it meets the criteria considered by us when reviewing a prospective developer's application for development rights, including, but not limited to, our educational, managerial and business standards; standards relating to the transferee's character, business reputation and credit rating; the transferee's aptitude and ability to conduct the business contemplated by this Agreement; the transferee's financial resources and capital available for the operation of the business; and the geographic proximity of other territories with respect to which the transferee has been granted development rights or of other Mr. Gatti's Pizza Facilities operated by the transferee, if any;

f. The transferor shall remain liable for all of its obligations to us incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

g. You shall pay us a transfer fee in an amount as set forth in Exhibit B to this Agreement related to your type of Mr. Gatti's Pizza Facility, provided, that in the event of a transfer for convenience of ownership pursuant to Section X.C., or among existing Owners, or to one or more members of your or your Owners' Immediate Families, the transfer fee shall be an amount equal to $5,000 plus our reasonable out-of-pocket costs and expenses (including, without limitation, legal and accounting fees, training, and other associated costs) and further provided that no transfer fee shall be due in the event the transfer is pursuant to our right of first refusal, as described in Section X.D herein; and

h. If the transferee is a corporation, partnership, limited liability company, or other legal entity, the transferee must make and be bound by any or all of the representations, warranties and covenants in Section VII. and shall provide such substantiating evidence as we may request.

2. If the transfer relates to the grant of a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any of your defaults.

3. You acknowledge and agree that each condition which must be met upon a proposed transfer is reasonable and necessary to protect our legitimate business interests and to assure such transferee's performance of the obligations hereunder.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation, limited liability company, or other legal entity formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements in Section X.B.1, except that the requirements in Sections X.B.1.(b), (d), and (e) shall not apply. In any transfer for the convenience of ownership, you must own all the voting ownership interests in the entity, and if you are more than one individual, each individual must have the same proportionate ownership interest in the entity as he had in you prior to the transfer.

D. Right of First Refusal. If you or an Owner wish to transfer any interest in this Agreement, the business operated hereunder, or in you, pursuant to any bona fide offer to purchase such interest, then the proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation describing the terms of the offer which we may reasonably require in order to evaluate the offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party ("Election Notice"). If we elect to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of our Election Notice and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third-party offer provides for payment of consideration other than cash, we may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we shall have the right to set off against the purchase price we owe you all appraisal fees and other amounts that you owe to us or any of our Affiliates. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Failure by us to exercise the option afforded by this Section X.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section X. relating to a proposed transfer. Failure to comply with this Section X.D. shall constitute a material event of default under this Agreement. Our right of first refusal shall not apply to transfers of ownership interests in you among existing Owners listed on Exhibit C, or to transfers of interests in you to your managerial employees, or to members of your or your Owners' Immediate Families, provided that no such transfer or series of related transfers effects the transfer of a Controlling Interest in you.

E. Death or Permanent Disability. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section X.B. for any inter vivos transfer, and you or your representative shall promptly notify us of any death or claim of permanent disability subject to this Section X.E.

1. Upon your death (if you are a natural person) or the death of any Owner who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer the Deceased's interest in this Agreement or in you to a third party approved by us in accordance with the conditions described in this Section X. within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us in accordance with the conditions described in this Section X. within six (6) months after the death of the Deceased.

2. Upon your permanent disability (if you are a natural person) or the permanent disability of any Owner who is a natural person, we may, in our sole discretion, require you to transfer your interest in this Agreement or your Owner to transfer its interest in you, as applicable, to a third party approved by us in accordance with the conditions described in this Section X. within six (6) months after the determination of permanent disability is made. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently

disabled as of the date of such refusal for the purpose of this Section X.E. The costs of any examination required by this Section shall be paid by us.

F. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which shall not be unreasonably withheld. As a condition of our consent, we may, in our sole discretion, require that, immediately after such offering, you and your Owners retain a Controlling Interest in you. You shall give us written notice at least thirty (30) days prior to the commencement of any offering covered by this Section X.F. All offering materials shall be submitted to us for review prior to being filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning our relationship with you. You and the other participants in the offering must fully indemnify us, our Affiliates, our and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you shall pay to us a non-refundable fee of Five Thousand Dollars ($5,000) and shall reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees) associated with reviewing the offering materials.

G. No Waiver. Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

XI. COVENANTS

A. Confidentiality.

1. We possess and will further develop and acquire certain Confidential Information. We will disclose to you such parts of the Confidential Information as we deem necessary or advisable from time to time for the development of the Mr. Gatti's Pizza Facilities. You acknowledge and agree that you and your Owners will not acquire any interest in or right to use the Confidential Information, other than the right to use it in the development of the Mr. Gatti's Pizza Facilities pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with us and with other developers and franchisees of Mr. Gatti's Pizza Facilities. You agree to disclose the Confidential Information to your Owners and to your employees only to the extent reasonably necessary for the development of the Mr. Gatti's Pizza Facilities pursuant to this Agreement. You further acknowledge and agree that the Confidential Information is our proprietary and valuable asset, includes trade secrets owned by us and our Affiliates and is disclosed to you solely on the condition that you, your Owners and employees who have access to the Confidential Information agree, and you and your Owners do agree that, during and after the term of this Agreement, you, your Owners and your employees:

a. will not use the Confidential Information in any other business or capacity;

b. will maintain the absolute confidentiality of the Confidential Information (provided, however, that we will not deem you in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an Owner, provided you have taken reasonable steps to prevent such disclosure, including, but not limited to, the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of such Confidential Information);

c. will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and

d. will adopt and implement all reasonable procedures we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, the execution by your employees of confidentiality agreements in a form approved by us.

2. Notwithstanding anything to the contrary contained in this Agreement, the restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of the Confidential Information in judicial, arbitration or administrative proceedings to the extent that you are legally compelled to disclose such information, provided you have notified us prior to disclosure and have used your best efforts to obtain, and have afforded us the opportunity to obtain, assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

3. The terms of this Section XI.A. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

B. Noncompetition Covenants. You and your Owners acknowledge and agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Mr. Gatti's Pizza Facilities if developers of Mr. Gatti's Pizza Facilities were permitted to hold interests in or perform services for a Competing Business. You and your Owners also acknowledge that we have granted the development rights to you in consideration of and reliance upon your agreement that you and your Owners will deal exclusively with us. You and your Owners therefore agree as follows:

1. During the term of this Agreement, neither you, nor any of your Owners, nor any member of the Immediate Family of you or your Owners, will, directly or indirectly, for yourself or themselves, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

a. Divert, or attempt to divert, any business or customer of any Mr. Gatti's Pizza Facilities operated by us or our affiliates, or by franchisees under valid franchise agreements with us or our affiliates, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the Marks, the goodwill associated with the Marks, or Mr. Gatti's Pizza Facilities.

b. Except with respect to Mr. Gatti's Pizza Facilities operated under valid franchise agreements with us or our affiliates, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, any Competing Business which is located within the United States, its territories, possessions or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

2. For a continuous uninterrupted period commencing upon the later of (i) the expiration, termination or transfer of this Agreement, or such person's interest in this Agreement and (ii) the date on which you cease to conduct your activities under this Agreement, and continuing for two (2) years thereafter, neither you nor any of your Owners nor any member of the Immediate Family of you or your Owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

a. Divert, or attempt to divert, any business or customer of any Mr. Gatti's Pizza Facilities operated by us or our affiliates, or by franchisees under valid franchise agreements with us or our affiliates, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the Marks, the goodwill associated with the Marks, or Mr. Gatti's Pizza Facilities.

b. Except with respect to Mr. Gatti's Pizza Facilities operated under valid franchise agreements with us or our affiliates, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, a Competing Business which is located, operating or under development within the Territory on the effective date of termination or expiration of this Agreement.

The restrictions of Sections XI.B.1. and 2. will not be applicable to the ownership of publicly traded ownership interests that constitute less than three percent (3%) of a class of ownership interests issued and outstanding.

C. Reasonable Restrictions. The parties acknowledge and agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

D. Reduction of Scope of Covenant. You and your Owners acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI. without your or their consent, effective immediately upon notice to you, and you and your Owners agree that you and they shall promptly comply with any covenant as so modified.

E. Enforcement. You and your Owners expressly agree that the existence of any claims you or they may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.

F. Execution of Covenants. You shall require and obtain execution of covenants similar to those set forth in Section XI. from all Owners not signing the Guaranty of this Agreement, from all Regional Managers and, if requested by us, those of your other employees who have received or will have access to the Confidential Information. Such covenants shall be substantially in the form of the Confidentiality and Non-Compete Agreement set forth as Attachment 2; provided, that we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenant set forth in Attachment 2 or eliminate such noncompetition covenant altogether for any party required to execute such agreement under this Section XI.F. At our request, you will provide us with executed originals of each such Confidentiality and Non-Compete Agreement.

G. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Section XI. shall constitute a material breach of this Agreement and that any such breach would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Owners in violation of the terms of this Section. You and your Owners agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section XI., including

payment of all costs and expenses for obtaining injunctive relief or any other remedy available to us for any violation of the requirements of this Section XI.

H. New Developments. You agree to disclose to us all ideas, concepts, methods, techniques and products (including, without limitation, new menu items and food products) conceived or developed by you, your Owners, and your employees relating to the development and operation of Mr. Gatti's Pizza Facilities. You and your Owners hereby assign to us any and all rights you may have or acquire therein, including the right to modify such ideas, concepts, methods, techniques, and products, and you and they waive and/or release all rights of restraint and moral rights therein and thereto. In the event such assignment is, for any reason, deemed to be unenforceable, you and your Owners hereby grant to us and agree to procure from your Owners and employees a perpetual, exclusive and worldwide right to use such ideas, concepts, methods, techniques and products in all food service and/or entertainment businesses operated by us, our Affiliates, developers and franchisees, including the right to modify such concept, methods, techniques and products, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. We will have no obligation to make payments to you or any other person with respect to any such idea, concept, method, technique or product. You and your Owners agree that you will not use or allow any other person to use any such concept, method, technique or product without obtaining our prior written approval.

I. Liquidated Damages. You acknowledge that by violating the provisions of this Section XI. you could benefit unfairly from the goodwill, training and Confidential Information provided by us. Therefore, in addition to and not in lieu of all other remedies available to us for your violation or breach of the covenants contained in this Section XI., you hereby agree that upon such violation or breach, we will be entitled to payment of liquidated damages in an amount equal to the greater of (i) Six Hundred Dollars ($600) per day per Mr. Gatti's Pizza Facility operating pursuant to this Development Agreement, or (ii) an amount equal to the per diem royalty, Marketing Development Fund and Media Fund contributions payable by you in respect of all Mr. Gatti's Pizza Facilities developed pursuant to this Development Agreement for the one year period immediately preceding the violation or breach, multiplied by the number of days for which the violation or breach of this Section XI. is continuing.

You further acknowledge that if, as a result of your violation of this Section XI., Confidential Information is disclosed to, or you become, a competitor of the System, we will suffer greater damage that may include loss of System representation in the area served by the Mr. Gatti's Pizza Facility, customer confusion and injury to the goodwill associated with the Marks. Accordingly, in such circumstances, you shall pay to us an amount equal to 150% of the amount of liquidated damages that would otherwise be payable hereunder.

XII. INDEPENDENT CONTRACTOR

A. Independent Contractor Relationship. You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your operations pursuant to the rights granted to you by us under this Agreement. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees, and you have no relationship with our employees. You agree to identify yourself conspicuously in all dealings with customers, employees, suppliers, public officials, and others as the independent owner of your Mr. Gatti's Pizza Facility under a franchise we have granted and to place notices of such independent ownership on the forms, business cards, stationary, employment materials, advertising, and other materials that you use in your business dealings and that we require from

time to time. You also agree to communicate clearly with your employees in employment agreements, manuals, handbooks, and other materials, that you, and not we or our Affiliates, are the sole employer of the Mr. Gatti's Pizza Facility employees.

B. No Authority. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom.

C. Employment Policies. We do not exercise any direction or control over your employment policies or employment decisions. All of your employees are solely your employees, not our employees. You are not our agent for any purpose in regard to your employees or otherwise.

XIII. INDEMNIFICATION

A. Indemnity. You shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our Affiliates, our and their successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of us and each of them ("Indemnitees"), from any and all claims and liabilities directly or indirectly arising out of the development or operation of the Mr. Gatti's Pizza Facilities to be developed pursuant to this Agreement or your breach of this Agreement, including, without limitation, claims for (i) Taxes, (ii) any deductibles under the insurance policies maintained pursuant to Section VIII.D. of this Agreement, (iii) any past due rent or other amounts owed by you and paid by us in connection with the exercise of our post-termination rights under Section IX.F., (iv) the infringement, alleged infringement, violation, or alleged violation by you or any of your Owners of any proprietary right of a third party, unless such violation or infringement relates to the use of the Marks or other proprietary information as to which we have granted you a license under a Franchise Agreement and such use has been in accordance with the Franchise Agreement, (v) the violation, breach or asserted violation or breach by you or any of your Owners of any federal, state or local law, regulation, ruling, standard or directive or any industry standard, (vi) the libel, slander or any other form of defamation of us, the Mr. Gatti's Pizza Facility, the System or any franchisee or developer operating under the System, by you or by any of your Owners, and (vii) any actual or alleged claim that we and you are joint employers of any of your employees or personnel. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the investigation, settlement or defense of any claim against any of the Indemnitees, including, without limitation, accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses.

You shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties arising in connection therewith; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence or willful acts of Indemnitees, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you.

B. Defense of Claim. You agree to give us prompt written notice of any claim as to which Indemnitees are entitled to indemnification hereunder. At your expense and risk, you shall, through counsel satisfactory to us, take charge of the disposition of the matter, including the conduct or settlement of litigation, except that no settlement or compromise shall be made without our prior written consent, and provided, that if you do not take charge of the disposition of the matter through counsel satisfactory to us,

we may, at your expense, take charge of the disposition of the matter, and further provided, that we have and at all times retain the right to defend any claim made against us or any Indemnitee at your expense.

C. Survival of Obligations. The terms of this Section XIII. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XIV. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by email to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us:
Mr. Gatti's Operating, LLC
P.O. Box 470726
Fort Worth, Texas 76147
Attention: Manager
E-mail: jim.phillips@gattispizza.com
kc.mann@gattispizza.com
legal@gattispizza.com

Notices to you and your Owners:
_____
_____
_____
_____
Attention: _____
Facsimile: _____
E-mail: _____

Except when actual receipt of notice is expressly required by the terms of this Agreement, any notice shall be deemed to have been given (i) at the time of personal delivery, or (ii) in the case of email, upon transmission (absent an electronically generated email failure notice), or (iii) in the case of expedited delivery service on the next Business Day, or (iv) in the case of registered or certified mail, the earlier of three (3) Business Days after the date and time of mailing or first refusal of delivery.

B. Entire Agreement. This Agreement, the documents referred to herein and the Exhibits and Attachments hereto, constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior related agreements, except that nothing in this Agreement or any other agreement between us and you is intended to disclaim any representations that we made in the Franchise Disclosure Document that we furnished to you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

D. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Section XIII. Except as provided in the immediately preceding sentence and except for any amounts payable pursuant to any business interruption insurance maintained by you under Franchise Agreements with us, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. MEDIATION. EXCEPT FOR ACTIONS WHICH WE MAY BRING IN ANY COURT OF COMPETENT JURISDICTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (iii) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS OR THE CONFIDENTIAL INFORMATION, YOU AND WE AND YOUR OWNERS AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US OR OUR AFFILIATES AND YOU OR YOUR AFFILIATES, OR (d) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF FRANCHISE DISPUTES, AS AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE DISTRICT COURT OF TARRANT COUNTY, TEXAS. MEDIATION SHALL BE HELD AT OUR PRINCIPAL PLACE OF BUSINESS IN FORT WORTH, TEXAS. IN ALL CASES, YOU MUST ENSURE THAT ALL OF YOUR DECISION MAKERS, INCLUDING EACH OWNER WHO HAS SIGNED THE OWNERS' GUARANTY AND ASSUMPTION AGREEMENT, ARE CONTINUALLY PRESENT AND FULLY PARTICIPATE IN THE MEDIATION. COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY, EXCEPT THAT IF MEDIATION IS SCHEDULED AND YOU FAIL TO ENSURE YOUR DECISION MAKERS ARE PRESENT FOR THE MEDIATION YOU WILL BE SOLELY RESPONSIBLE FOR ALL OF THE COMPENSATION AND EXPENSES OF THE MEDIATIOR AS WELL AS OUR COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) TO PREPARE FOR AND APPEAR AT THE MEDIATION. IF YOU FAIL TO TIMELY

RESPOND TO A MEDIATION DEMAND FROM US OR IF YOU EITHER FAIL TO APPEAR FOR A SCHEDULED MEDIATION OR YOU FAIL TO ENSURE YOUR DECISION MAKERS ARE PRESENT FOR A SCHEDULED MEDIATION, OR IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION XIV.G.

G. JURISDICTION AND VENUE. FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, YOU AND YOUR OWNERS HEREBY IRREVOCABLY SUBMIT YOURSELVES TO THE JURISDICTION OF THE DISTRICT COURT OF TARRANT COUNTY, TEXAS AND THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS. YOU AND YOUR OWNERS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU AND ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU AND YOUR OWNERS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE TARRANT COUNTY, TEXAS OR THE NORTHERN DISTRICT OF TEXAS; PROVIDED, THAT WE MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

H. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW (EXCEPT FOR TEXAS CONFLICT OF LAW RULES).

I. WAIVER OF JURY TRIAL; AGREEMENT REGARDING CLASS ACTION. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US. YOU FURTHER AGREE THAT ANY ACTIONS RELATED TO CLAIMS, CONTROVERSIES OR DISPUTES SHALL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A COMMON, CONSOLIDATED OR CLASS ACTION.

J. LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY US WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY YOU OR YOUR OWNERS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) YOUR OBLIGATIONS TO PROTECT OUR CONFIDENTIAL INFORMATION, OR (iii) YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION XIII., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

K. MUTUAL ACKNOWLEDGMENTS. THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH

ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN FORT WORTH, TEXAS, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF DEVELOPER ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS, SHALL OCCUR IN FORT WORTH, TEXAS.

L. DAMAGES WAIVER. YOU AND YOUR OWNERS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OR ANY PUNITIVE OR EXEMPLARY DAMAGES AND AGREE THAT IN THE EVENT OF A DISPUTE, YOU AND YOUR OWNERS SHALL BE LIMITED TO EQUITABLE RELIEF AND THE RECOVERY OF ANY ACTUAL DAMAGES YOU OR THEY SUSTAIN.

M. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

N. Electronic Signatures. Any signature hereto or to any other agreement or document related to this transaction through electronic means shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law.

O. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

P. Survival. Any of your or your Owners' obligations that contemplate performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in this Agreement or in you, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XIV.F., G. and H. are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

Q. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

R. Gender. All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Owners under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by you and all of the Owners.

S. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, termination or exercise of our rights pursuant to Section IX. of this Agreement shall not discharge or release you or any of your Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, termination or the exercise of such rights under this Agreement. Additionally, you and the Owners shall pay all court costs and reasonable attorneys' fees incurred by us in obtaining any remedy available to us for any violation of this Agreement.

T. Costs and Attorneys' Fees. If we incur expenses in connection with your failure to pay when due any amounts owed to us, to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for the costs and expenses we incur, including, without limitation, accounting, attorneys' and related fees.

U. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section X.), any rights or remedies under or as a result of this Agreement.

V. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement, which can include execution and delivery of any document in the form we require discussing the matters in this Agreement.

W. Business Judgment Rule. Whenever we reserve or are deemed to have reserved discretion in a particular area or where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment (as defined below) in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System (or one or more components of it) generally even if the decision or action also promotes a financial or other individual interest of us. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System (or one or more components of it). Neither you nor any third party (including, without limitation, a trier of fact) will substitute its judgment for our Reasonable Business Judgment.

X. Disclosure Acknowledgment. You acknowledge and agree that you received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" at least fourteen (14) days prior to execution as required by such Trade Regulation Rule.

Y. Required NASAA Statement. **The following only applies in *California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*:** 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.

Z. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

MR. GATTI'S OPERATING, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____
Effective Date:_____

DEVELOPER:

_____

By:_____
Name: _____
Title: _____
Date:_____

ATTACHMENT 1

TO DEVELOPMENT AGREEMENT DATED _____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____ ("DEVELOPER")

OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this _____ day of _____, by the undersigned.

In consideration of, and as an inducement to, the execution of the Development Agreement (the "Agreement") by Mr. Gatti's Operating, LLC ("we" "us" or "our"), each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally guarantees to us and our successors and assigns, that Developer will punctually pay its obligations for development fees, royalties, marketing and promotion fund contributions and purchases of equipment, games, materials, supplies and other amounts due under the Agreement and under all Franchise Agreements entered into pursuant to the development of Mr. Gatti's Pizza Facilities under the Agreement.

Each Guarantor waives:

(i) acceptance and notice of acceptance by us of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Developer arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Developer, but also among the Guarantors; and

(b) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; and

(c) such liability will not be contingent or conditioned upon pursuit by us of any remedies against Developer or any other person; and

(d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Developer to us under the Agreement; and

(e) Developer's written acknowledgment, accepted in writing by us, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Developer will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Development Agreement and is obligated to perform thereunder, including, without limitation, under Sections IX.F.; X.; XI.; XIII.; and XIV.F., G., H., I., J., K., and L. Additionally, the individual designated as the Managing Owner makes all of the covenants, representations and agreements of Managing Owner set forth in the Development Agreement.

If we are required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, we will be entitled to reimbursement of our costs and expenses, including, but not limited to, legal and accounting fees, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse us for any of the above-listed costs and expenses incurred by us.

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

OWNERS

_____

*Name: _____

_____

Name: _____

_____

Name: _____

_____

Name: _____

* Denotes individual who is Developer's Managing Owner

ATTACHMENT 2

TO DEVELOPMENT AGREEMENT DATED _____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____ ("DEVELOPER")

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20__, between Mr. Gatti's Operating, LLC, a Delaware limited liability company ("we," "us," or "our"), _____ ("Developer") and _____ ("Covenantor") in connection with a development agreement between us and Developer dated _____, 20__ ("Development Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Development Agreement.

RECITALS

Pursuant to the terms of the Development Agreement we have granted to Developer the right to develop and own one or more Mr. Gatti's Pizza Facilities under the System.

Covenantor is either an Owner of Developer, a member of the Immediate Family of an Owner of Developer, or an officer, director, or employee of Developer who may have access to the Confidential Information in connection with the development and operation of the Mr. Gatti's Pizza Facilities.

As a condition precedent to allowing Covenantor to have access to the Confidential Information, and as a material term of the Development Agreement necessary to protect the System and our proprietary rights in and right to use the Confidential Information, we and Developer require that Covenantor enter into this Agreement.

To induce us to enter into the Development Agreement and/or to avoid a material breach thereof, as the case may be, we, Developer and Covenantor, desire and deem it to be in Covenantor's best interests, that Covenantor enter into this Agreement.

Due to the nature of our business, any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause us and Developer substantial harm.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Developer in connection with the development and operation of the Mr. Gatti's Pizza Facilities under the Development Agreement or Franchise Agreements executed in accordance therewith.

2. Covenantor shall not at any time make unauthorized copies of any documents or compilations containing some or all of the Confidential Information without our express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Developer and only to the limited extent necessary to train or assist other employees of Developer in the development or operation of the Mr. Gatti's Pizza Facilities.

4. Covenantor shall surrender any material containing the Confidential Information to Developer or Franchisor, at any time upon request, or immediately upon termination of his or her employment by or association with Developer.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System, the Marks or the Mr. Gatti's Network.

6. Covenantor acknowledges that Developer is granted access to all Brand Standards Manuals by us for limited purposes only and remain our property. Covenantor agrees that no Brand Standards Manuals may be reproduced, in whole or in part, without our written consent.

[**Covenants Not to Compete**[1]

In order to protect the goodwill of the System, the Marks and the Mr. Gatti's Network, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Developer, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Developer's or Covenantor's interest in the Development Agreement, Covenantor will not, without our prior written consent:

a. Divert, or attempt to divert, any business or customer of any Mr. Gatti's Pizza Facilities operated by us or our affiliates, or by franchisees under valid franchise agreements with us or our affiliates, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the Marks, the goodwill associated with the Marks, or Mr. Gatti's Pizza Facilities; and

b. Directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any Competing Business which is, or is intended to be, located within the Territory.]

[**Owner's Undertaking**[1]

Covenantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in Sections X.; XI.B., C., D., E., G. and H.; and XIV.F., G., H., I., J., K., and L. of the Development Agreement and is obligated to perform thereunder.]

[1] If Covenantor is an Owner not signing the Owners' Guaranty and Assumption Agreement, delete the Covenants Not to Compete section and replace it with the Owner's Undertaking section.

Miscellaneous

1. Developer shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill associated with the Marks or our other business interests.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, Covenantor shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, we and Developer would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, we and Developer shall be entitled, in addition to any other remedies which we and Developer may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by us and Developer in enforcing this Agreement.

4. Any failure by us or Developer to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE DISTRICT COURT OF TARRANT COUNTY, TEXAS AND THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM OR HER IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE TARRANT COUNTY, TEXAS OR THE NORTHERN DISTRICT OF TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, WE OR DEVELOPER MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by email to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to us, the notice shall be addressed to:

Mr. Gatti's Operating, LLC
P.O. Box 470726
Fort Worth, Texas 76147
Attention: Manager
E-mail: jim.phillips@gattispizza.com
kc.mann@gattispizza.com
legal@gattispizza.com

If directed to Developer, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Facsimile:_____
E-mail:_____

If directed to Covenantor, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Facsimile:_____
E-mail:_____

Except when actual notice is expressly required by the terms of this Agreement, any notice shall be deemed to have been given (i) at the time of personal delivery, or (ii) in the case of email, upon transmission (absent an electronically generated email failure notice), or (iii) in the case of expedited delivery service, on the next Business Day, or (iv) in the case of or registered or certified mail, the earlier of three (3) Business Days after the date and time of mailing or first refusal of delivery.

8. We and our successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at their option and in our and their sole discretion, to enforce this Agreement.

9. Our rights and remedies under this Agreement are fully assignable and transferable and shall insure to the benefit of our Affiliates, successors and assigns. The respective obligations of Developer

and Covenantor hereunder may not be assigned by Developer or Covenantor, without our prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

MR. GATTI'S OPERATING, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____
Date:_____

DEVELOPER:

_____

By:_____
Name:_____
Title:_____
Date:_____

COVENANTOR:

_____

By:_____
Name:_____
Title:_____
Date:_____

EXHIBIT A

TO DEVELOPMENT AGREEMENT DATED _____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____ ("DEVELOPER")

Franchise Agreement

(See Exhibit C to Disclosure Document)

EXHIBIT B

TO DEVELOPMENT AGREEMENT DATED _____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____ ("DEVELOPER")

DEVELOPMENT SCHEDULE FOR MR. GATTI'S PIZZA FACILITIES AND KEY FEES

DEVELOPMENT SCHEDULE

Type of Mr. Gatti's Pizza Facility Required to be Developed	Development Period Ending On	Date by Which Franchise Agreement(s) Must be Signed and/or Lease Executed*	Number of Mr. Gatti's Pizza Facilities to be Developed During Development Period	Market/ Location	Cumulative Number of Mr. Gatti's Pizza Facilities Open and in Operation

*You must sign a Franchise Agreement for each of the Mr. Gatti's Pizza Facilities you will develop after obtaining our approval of the proposed site, but in all cases by an agreed date set forth above before the Mr. Gatti's Pizza Facility must be open. The Franchise Agreement will then govern the construction and opening of the Mr. Gatti's Pizza Facility itself.

KEY FEES

INITIAL FRANCHISE FEES

FEC: $50,000

DELCO: $25,000

CONSTRUCTION OVERSIGHT FEES

FEC: $50,000

DELCO: $25,000

TRANSFER FEES

FEC: 25% of the initial franchise fee in place at the time of the transfer

DELCO: 50% of the initial franchise fee in place at the time of the transfer

EXHIBIT C

TO DEVELOPMENT AGREEMENT DATED _____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____ ("DEVELOPER")

SCHEDULE OF OWNERSHIP INTERESTS

The following is a list of all Owners of an ownership interest in Developer.

Names and address of Owner	Nature of Ownership Interest
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____

If any Owner is a corporation, general or limited partnership, limited liability company or other legal entity, its owners are listed below: (include additional schedules for each Owner which is an entity.)

Name of Owner:_____
Type of Entity:_____

Names and address of Owner's interest holders	Nature of interest held
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____
_____ _____	Number of ownership interests: _____ % of ownership interests: _____

Names and address of Owner's interest holders	Nature of interest held
_____	Number of ownership interests interest holder is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____

EXHIBIT D

TO DEVELOPMENT AGREEMENT DATED _____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____ ("DEVELOPER")

DESCRIPTION OF TERRITORY

_____

_____

_____

_____

The following areas are excluded from the Territory:

_____

_____

_____

_____

FRANCHISE AGREEMENT

EXHIBIT C

MR. GATTI'S OPERATING, LLC

FRANCHISE AGREEMENT

FOR A MR. GATTI'S PIZZA FACILITY

_____

Franchisee

_____

Location

_____

Type of Mr. Gatti's Pizza Facility

_____

Store No.

_____**, 202_**

Effective Date

Form dated April 17, 2025
FDD dated April 17, 2025

MR. GATTI'S OPERATING, LLC
MR. GATTI'S PIZZA FACILITIES

FRANCHISE AGREEMENT

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MR. GATTI'S OPERATING, LLC
FRANCHISE AGREEMENT
MR. GATTI'S PIZZA FACILITIES

THIS FRANCHISE AGREEMENT (the **"Agreement"**) is made and entered into this ___ day of _____, 202__, by and between **Mr. Gatti's Operating, LLC**, a Delaware limited liability company **("we," "us," "our," or "Franchisor"**) and **_____**, a _____ _____ **("you," "your" or "Franchisee"**) but will only be effective between you and us once all conditions precedent to the Effective Date are fully satisfied.

RECITALS:

We have developed and are continuing to develop a business system for operating different types of Mr. Gatti's pizza facilities (each a "Mr. Gatti's Pizza Facility", and collectively "Mr. Gatti's Pizza Facilities"). We currently offer franchises for two types of Mr. Gatti's Pizza Facilities.

The first type is a Mr. Gatti's Delivery and Carry-Out Pizza Facility ("Mr. Gatti's DELCO") offering pizza, pasta, wings, and salad available for online, over-the-phone, or in-store menu ordering to be delivered or carried out of the store, with potential for limited dine-in seating. This type has a suggested format of +/- 1,200 square feet, scalable smaller or larger based on multiple factors including our approval.

The second type is a Mr. Gatti's family entertainment center ("Mr. Gatti's FEC") offering all-you-care-to-eat pizza, pasta and salad buffet for each day part or an all-you-care-to-eat pizza, pasta and salad buffet during lunch hours with menu ordering with expanded appetizer, dessert and which may include beer and wine during dinner hours, plus redemption and non-redemption games and amusements. This type has a suggested format of +/- 12,500 square feet, scalable smaller or larger based on multiple factors including our approval.

Both current types of Mr. Gatti's Pizza Facilities operate under the trade name and service mark "Mr. Gatti's Pizza" and are covered by this Agreement.

We grant to persons who meet our qualifications and are willing to undertake the investment and effort to own and operate a franchise of a specific type of Mr. Gatti's Pizza Facility using our System.

You have applied for a franchise to own and operate a Mr. Gatti's Pizza Facility of the type set forth on the Cover Page and Exhibit A of this Agreement.

We are willing to grant you a franchise for the type of Mr. Gatti's Pizza Facility set forth on the Cover Page and Exhibit A of this Agreement upon the terms and conditions set forth in this Agreement, including and in reliance on your representations and acknowledgements.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

I. DEFINITIONS.

"Actual Opening Date" means the actual date the Mr. Gatti's Pizza Facility opens for business to the public, as set forth on Exhibit A.

"Advertising Fund" or "Fund" means the advertising fund (or funds) described in Section IX.B of this Agreement.

"Affiliate" means any person or entity that is controlled by, controlling or under common control with the referenced person.

"Agreement" has the meaning set forth in the introductory paragraph and includes all exhibits, schedules, attachments and addenda thereto. References to the then-current form of franchise agreement means the form of franchise agreement then being generally offered by us and includes all exhibits, schedules, attachments and addenda thereto.

"Agreement Year" means the twelve (12) month period beginning on the Actual Opening Date and each successive twelve (12) month period thereafter during the term of this Agreement.

"Approved Location" means the site identified on Exhibit A to this Agreement that we have approved in accordance with this Agreement as meeting our minimum criteria for a Mr. Gatti's Pizza Facility.

"Artificial Intelligence" means a field of science concerned with building computers and machines that can reason, learn, and act in such a way that would normally require human intelligence or that involves data whose scale exceeds what humans can analyze.

"Brand Standards Manuals" means the document or documents in printed, electronic or other form, as supplemented or revised by us from time to time, which prescribe various instructions, directives, requirements and System Standards, a copy of which is made available by us to all franchisees. Any update, letter, bulletin or other item in writing delivered by us to you containing instructions, directives, requirements or standards pertaining to the System shall be deemed part of the Brand Standards Manuals, regardless of whether consistent with the format of the Brand Standards Manuals or expressly designated for inclusion in the Brand Standards Manuals.

"Business Day," for purposes of Section XX.A ("Notices") and the Notices provision of Attachment 2 ("Confidentiality and Non-Compete Agreement"), means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, the day following Thanksgiving Day, and Christmas Day. "Business Day," for purposes of Section V.B ("Royalty"), means any day other than a day on which banking institutions are required or authorized to be closed in Fort Worth, Texas.

"Competing Business" means any business, except any type of Mr. Gatti's Pizza Facility operated under a valid franchise agreement with us or our affiliates, that (i)(a) is a food service facility which offers a mix of menu items including pizza and/or pasta and/or a salad bar, or which offers pizza as a primary menu item, and/or (b) is a business which features games, or (ii) any business that grants or has granted franchises or licenses, or establishes or has established joint ventures, for the development and/or operation of a business that offers any of the products referred to in (i) above.

"Computer System" means the computer hardware and software we designate from time to time for use in the operation of Mr. Gatti's Pizza Facilities.

"Confidential Information" means our confidential, branded and proprietary information or trade secrets concerning the methods of establishing and operating Mr. Gatti's Pizza Facilities, including, without limitation, (i) the System Standards, Brand Standards Manuals and all other methods, techniques, equipment, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Mr. Gatti's Pizza Facilities; (ii) marketing and promotional programs for Mr. Gatti's Pizza Facilities, including but not limited to, information regarding National Accounts programs; (iii) knowledge concerning the logic, structure and operation of computer software programs which we authorize for use in connection with the

operation of Mr. Gatti's Pizza Facilities and all additions, modifications and enhancements, and all data generated from use of such programs; (iv) specifications and standards for, and sources of, construction, equipment, furnishings, fixtures, signs, products, materials, supplies, games, toys and services utilized in the development and operation of Mr. Gatti's Pizza Facilities; (v) ingredients, formulas, mixes, recipes for and methods of preparing, cooking, serving, packaging, and delivering, products sold at Mr. Gatti's Pizza Facilities; (vi) information concerning product sales, operating results, financial performance, consumer data and preferences, inventory requirements, materials and supplies and other financial data of Mr. Gatti's Pizza Facilities; (vii) customer lists; (viii) employee selection procedures, training and staffing levels; (ix) our expansion, growth and development plans and prospects, and (x) compilations of data which we may from time to time prepare and provide to you, whether or not the information upon which such compilations are based is public information.

"Controlling Interest" means the direct or indirect power to direct the management and policies of a person or entity, including those relating to the payment of financial obligations, whether through the ownership of voting securities or interests, by contract, or otherwise, each as reasonably determined by us.

"Cooperative" means an advertising cooperative, as described in Section IX.B of this Agreement.

"Designated Delivery Area" means the area inside and/or outside of the Protected Area that is designated by us in our sole discretion for you to perform approved delivery service from your Mr. Gatti's Pizza Facility, such area is subject to change in our sole discretion at any time including during the franchise Term.

"Development Agreement" means the agreement between you or one of your Affiliates, as "Developer," and us under which the Developer has the right and obligation to develop a designated number of Mr. Gatti's Pizza Facilities within the time period and geographic area specified in the agreement, under franchise agreements with us, and includes all exhibits, schedules, attachments and addenda thereto. References to the then-current form of development agreement means the form of development agreement then being generally offered by us and includes all exhibits, schedules, attachments and addenda thereto.

"Effective Date" means the date set by us and affixed to this Agreement upon which this Agreement will be deemed effective and valid as between you and us; provided that in all cases the Effective Date will not be set and/or affixed and this Agreement will not be deemed effective and valid as between you and us unless or until (1) you and your Owners have fully executed this Agreement and returned such fully executed Agreement to us; (2) you have paid in full in available funds all initial franchise fees that are or were due and payable to us concurrent with the execution of this Agreement; and (3) we have fully counter-signed this Agreement. You acknowledge and agree that even if an Effective Date is set and affixed to this Agreement, this Agreement is not valid and effective until all Effective Date conditions precedent have been fully satisfied, and that if you fail to satisfy all Effective Date conditions precedent within 10 days of the date you and your Owners fully executed and returned this Agreement to us then our offer of the franchise to you will be deemed automatically withdrawn and we will have no obligation to countersign or return an executed version of this Agreement to you, and you will have no franchise or other rights under this Agreement.

"Force Majeure" means acts of God, acts of terrorism, strikes, lockouts or other industrial disturbances, war, riot, epidemic, fire or other catastrophe or other forces beyond your or our control.

"Good Standing" means (i) you are current on all payments due to us, our Affiliates, our vendors, your suppliers, and your landlord, and you are current on all wage payments legally owed to your employees, (ii) you are not in default of this Agreement, the Development Agreement or any other franchise agreement between us, (iii) you have passed our most recent inspection and are otherwise in compliance with our System Standards, and (iv) you are actively marketing the Mr. Gatti's Pizza Facility in accordance with our current marketing programs.

"Gross Sales" means all revenue from the sale of products or services sold in or from the Mr. Gatti's Pizza Facility or from the operation of the Mr. Gatti's Pizza Facility, whether by cash, check, credit card or other credit transactions, including, without limitation, all revenues from the sale of food and beverage items and from vending machines, coin or token-operated amusement devices, games, legal gaming devices (excluding, however, that portion of any revenue directly collected and retained by a governmental authority pursuant to state statutory or regulatory procedures), pay telephones and game cards, without any deduction for game vendors' or operators' percentages or any other deductions whatsoever, but excluding all federal, state or municipal sales, use, excise or service taxes collected from customers and paid to the appropriate taxing authority.

"Gross Sales Report" means the report prepared in the form and delivered in the manner we reasonably require, itemizing the Gross Sales of your Mr. Gatti's Pizza Facility for the relevant Reporting Period.

"Immediate Family" means the spouse of a person, the natural and adoptive parents, natural and adopted siblings, and natural and adopted children of such person and their spouses.

"Intellectual Property" means our brand names, symbols, trade dress, trademarks, service marks, logos, copyright, patents, proprietary information, and other intellectual property.

"Internet" means a global computer-based communications network.

"Intranet" means a restricted global computer-based communications network.

"Local or Regional Advertising" means media and print marketing including but not limited to door hangers, box toppers, direct mail, grand opening and all other marketing material.

"Managing Owner" means the Owner you designate, and we approve to assume responsibility for and to supervise all aspects of the operation of the business contemplated by this Agreement, in accordance with Section VIII.A of this Agreement.

"Marketing Director" means the person approved by us and engaged by you to market and promote one or more Mr. Gatti's Pizza Facilities owned by you or your Affiliates.

"Marks" has the meaning set forth in the Recitals.

"Media" means the direct costs of purchasing advertising time on television, radio, outdoor billboard or transit and digital tools (includes but not limited to web banners, search, e-blasts and social media). It does not include cost of creation or production.

"Mr. Gatti's DELCO" or "Mr. Gatti's DELCOs" have the meanings attributed to them in the Recitals to this Agreement.

"Mr. Gatti's FEC" or "Mr. Gatti's FECs" have the meanings attributed to them in the Recitals to this Agreement.

"Mr. Gatti's Network" means the network of company owned and franchised Mr. Gatti's Pizza Facilities of all types operating under the "Mr. Gatti's Pizza" name and/or using some or all of the Marks and/or System from time to time.

"Mr. Gatti's Pizza Facility" or "Mr. Gatti's Pizza Facilities" have the meanings attributed to them in the Recitals to this Agreement, but these terms more expansively also mean any and all delivery and

carry-out and/or family entertainment facilities that are operating under some or all aspects of the System and some or all of the Marks (including but not limited to Gatti's, Mr. Gatti's and GattiTown), that can contain more than, less than or similar interior square feet to a Mr. Gatti's Pizza Facility and that may or may not have games and other amusements, but can also mean the type of Mr. Gatti's Pizza Facility operated by you as defined on the cover page of this Agreement at and from the Approved Location under this Agreement, including all of its assets, revenue and income, and physically including the entire interior and exterior of the site (inclusive of parking area) at which the Mr. Gatti's Pizza Facility is operated. References to multiple Mr. Gatti's Pizza Facilities operated by you or your Affiliates means additional Mr. Gatti's Pizza Facilities operated by you or your Affiliates under valid franchise agreements with us.

"National Accounts" means contracts entered into by us on behalf of the Mr. Gatti's Network with businesses which operate in multiple local, regional or national locations.

"Non-Compliance Fees" means an amount to be paid to us in connection with your non-monetary contractual deviations or defaults under this Agreement.

"Owners" means each person holding a direct or indirect, legal or beneficial, ownership interest in you or in any entity with a direct or indirect Controlling Interest in you.

"Person" (whether or not initially capitalized) means an individual or legal entity, including, without limitation, any corporation, Limited Liability Company, general or limited partnership.

"Primary Fees" means the Royalty fees required to be paid to us plus the fees or contributions required to be paid to us or made to the Marketing Development Fund and/or the Media Fund (collectively "Fund Contributions") in accordance with this Agreement and the System Standards.

"Protected Area" means the area within the radius surrounding the Approved Location for your Mr. Gatti's Pizza Facility, as more thoroughly set forth in Exhibit A, excluding those areas covered by any existing contractual commitments we may have, whether or not such excluded areas are specifically identified in this Agreement.

"Publicly-held Corporation" means a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

"Regional Manager" means a qualified individual who meets the requirements in Section VIII.A.1 of this Agreement, and who is designated by you and approved by us to supervise your operations under this Agreement.

"Required Opening Date" means the date by which the Mr. Gatti's Pizza Facility must be open for business to the public, as set forth on Exhibit A.

"Reporting Period" means the time period we designate for calculating the Mr. Gatti's Pizza Facility's Gross Sales.

"Social Media" means any and all existing or future forms of electronic communication, whether for business or personal use (including via Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos) through which users create or use online networks or communities (including but not limited through online communities such as Facebook, Twitter, Instagram, LinkedIn, YouTube, Yelp or Wikipedia and other similar content sharing outlets) to share information, ideas, personal messages, and other online content.

"Special Facility" means (a) an express unit, a mini-Mr. Gatti's Pizza Facility, or similar fixed installation that contains all necessary items to offer and sell a full or limited range of approved food and beverage products and services, and is located in an enclosed mall, airport, sports arena, hospital, train or bus station, theme park, zoo or aquarium, military base, higher education campus, office building, convention center, regional or national retailer, or other special use facility; and (b) a kiosk, booth, mobile dispensing unit (such as a cart or customized mobile vehicle) or other mobile installation at or from which select approved food and beverage products and services may be sold to customers under the Marks, any of which may operate on a permanent, temporary or seasonal basis.

"System" means our business system for the establishment and operation of Mr. Gatti's Pizza Facilities offering the products and services we authorize and approve (which may differ by type of Mr. Gatti's Pizza Facilities) and utilizing the Marks and our business formats, methods, procedures, signs, designs, layouts, equipment, and System Standards, all of which we may change, improve, and further develop from time to time.

"System Standards" means mandatory and suggested specifications, standards, operating procedures and rules that we develop and prescribe from time to time for the operation of Mr. Gatti's Pizza Facilities (and which may differ by type of Mr. Gatti's Pizza Facilities), including, without limitation, specifications, standards, operating procedures and rules relating to:

(1) the design, layout, décor, and appearance of and lighting for Mr. Gatti's Pizza Facilities; periodic maintenance or replacement of obsolete or worn-out leasehold improvements, cleaning and sanitation; periodic remodeling or re-imaging; use of interior and exterior signs, and the illumination thereof;

(2) fixtures, furnishings, equipment, signs, redemption items, games and inventory;

(3) required or authorized menu items;

(4) purchases according to specifications or from designated or approved suppliers (which may include us);

(5) sales, marketing, advertising and promotional programs, market research and product and service development programs;

(6) the development and operation of a website in connection with the operation of Mr. Gatti's Pizza Facilities, which may include a requirement that no website be established independent of our own website;

(7) use and display of the Marks;

(8) staffing levels for and matters relating to the management of Mr. Gatti's Pizza Facilities, including identification, qualifications, training, dress and appearance of personnel;

(9) days and hours of operation of Mr. Gatti's Pizza Facilities;

(10) implementation and modification of the electronic funds transfer system and procedures (as described in Article V. of this Agreement);

(11) installation and operation of the Computer System; bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, financial performance and condition; tax returns and other operating and financial information;

(12) types, amounts, terms and conditions of insurance coverage required to be carried for Mr. Gatti's Pizza Facilities and related standards;

(13) service of National Accounts at prices not to exceed the maximum prices we state, and which may change from time to time; and

(14) regulation of such other aspects of the operation and maintenance of Mr. Gatti's Pizza Facilities that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of Mr. Gatti's Pizza Facilities, the Marks, or the System.

The System Standards prescribed from time to time in the Brand Standards Manuals, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as periodically modified.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by our net income.

"Technology Fee" means the fee identified on Exhibit A and payable with respect to the continuing research, development and/or implementation of technology-based innovations for the System, including innovations in technology and information systems and other systems related to the development and operation of Mr. Gatti's Pizza Facilities.

II. GRANT.

A. Grant of Rights. Subject to the terms and conditions of this Agreement, we grant you the right, and you accept the obligation, to establish and operate a single bricks and mortar Mr. Gatti's Pizza Facility of the specific type set forth on the Cover Page and in Exhibit A of this Agreement under the System in accordance with this Agreement at the Approved Location.

B. Approved Location and Protected Area. Following your selection and our acceptance of a site for the Mr. Gatti's Pizza Facility, the specific street address of the Approved Location shall be identified in Exhibit A. This Agreement does not grant you the right or license to operate the Mr. Gatti's Pizza Facility or to offer or sell any products or services described under this Agreement at or from any location other than the Approved Location or through any channel or method of distribution other than the Mr. Gatti's Pizza Facility. However, during the term of this Agreement, we will not establish, or license any Person other than you to establish, a bricks and mortar Mr. Gatti's Pizza Facility of the type set forth on the Cover Page and in Exhibit A to this Agreement from a physical location in the Protected Area.

C. Reserved Rights. Notwithstanding the foregoing, we and our Affiliates have and retain all other rights, including, without limitation, the following:

(i) the exclusive right to establish and license others to establish Special Facilities and/or all other types of Mr. Gatti's Pizza Facilities not set forth on the Cover Page and in Exhibit A to this Agreement, including pizza and/or entertainment facilities using some or all of the Marks and/or System from time to time at any location within the Protected Area;

(ii) the exclusive right to establish and license others to establish all types of Mr. Gatti's Pizza Facilities outside the Protected Area, including locations that are adjacent or proximate to the boundary of the Protected Area;

(iii) the exclusive right to develop and establish other business systems using the Marks, or other similar or dissimilar names or marks, and to grant licenses to use those systems without providing any rights to you;

(iv) the exclusive right to advertise and promote the System for all types Mr. Gatti's Pizza Facilities within and outside the Protected Area;

(v) the exclusive right to acquire and be acquired by any company, including a company operating one or more food service or entertainment businesses (including a business similar to any type of Mr. Gatti's Pizza Facility); and

(vi) the exclusive right to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, licensing and sale of any and all food, beverages, games, or other services and products under the Marks, or under other names or marks, through any method of distribution and to any customers (including, without limitation, National Accounts) on such terms as we determine to be appropriate in our sole discretion.

D. Relocation. You shall not relocate the Mr. Gatti's Pizza Facility without our express prior written consent. If you are unable to continue to operate the Mr. Gatti's Pizza Facility at the Approved Location because of an event of Force Majeure (or for other reasons not constituting an event of default under this Agreement), you may request our consent (which we may grant or withhold in our sole discretion) to relocate the Mr. Gatti's Pizza Facility to another site, accepted by us in our sole discretion. If we grant you the right to relocate the Mr. Gatti's Pizza Facility, then you must comply with such reasonable site selection and construction procedures as we may require. In addition to complying with such reasonable site selection and construction procedures as we may require, if you wish to relocate your Mr. Gatti's Pizza Facility, we may require any or all of the following as conditions to our consent:

i. You must be in Good Standing;

ii. You and your owners, as applicable, shall execute a general release, in a form satisfactory to us, of any and all claims or any acts or omissions thereunder, whether known or unknown, against us and our Affiliates, our respective officers, directors, owners, employees agents, representatives, and independent contractors, past and present, in their corporate and individual capacities, including, without limitation, claims or any acts or omissions thereunder, whether known or unknown, arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

iii. You shall remain liable for all of your obligations to us under this Agreement prior to the effective date of the relocation and shall execute any and all instruments we reasonably request to evidence such liability;

iv. You agree to pay us a relocation fee in the amount applicable to your type of Mr. Gatti's Pizza Facility as set forth in Exhibit A to this Agreement.

III. SITE DEVELOPMENT AND OPENING DATE.

A. Site Selection and Acquisition. If you have not located and acquired a site acceptable to us before signing this Agreement, you must do so in accordance with this Agreement.

1. You assume all cost, liability, expense and responsibility for selecting, obtaining and developing a site for the Mr. Gatti's Pizza Facility to be developed pursuant to this Agreement. You acknowledge and agree that our acceptance of a site, and any information regarding the site communicated to you, does not constitute a guarantee, assurance, representation or warranty of any kind, express or

implied, as to the suitability of the site for a Mr. Gatti's Pizza Facility or for any other purpose. Our recommendation or approval of a site indicates only that we believe that the site falls within the acceptable criteria for sites that we have established as of the time we recommended or accepted the site. Criteria that have appeared effective for other sites may not accurately reflect the potential for all sites, and, after our acceptance of a site, demographic and/or other factors included in or excluded from our criteria could change, thereby altering the potential of a site. The uncertainty and instability of such criteria are beyond our control, and we will not be responsible for the failure of a site we have accepted to meet expectations as to potential revenue or operational criteria. You acknowledge and agree that your acceptance of the franchise is based on your own independent investigation of the suitability of the site.

2. You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Mr. Gatti's Pizza Facility within the geographic area described in Exhibit A ("Designated Area"). You acknowledge and agree that you acquire no rights in and to the Designated Area, other than the right to select a site for the Mr. Gatti's Pizza Facility from within its boundaries.

3. Following your selection and our acceptance of a site for the Mr. Gatti's Pizza Facility, the Approved Location will be identified in Exhibit A and the Designated Area will be of no further force or effect.

4. To assist you in your selection of site for your Mr. Gatti's Pizza Facility, we will provide to you:

a. Our written site selection guidelines and such site selection assistance as we deem advisable.

b. Such on-site evaluation as we may deem necessary on our own initiative or in response to your reasonable request for site approval; provided, that we will not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted and, in our discretion, prior to receiving such information for multiple proposed sites.

5. Before acquiring a site for the Mr. Gatti's Pizza Facility, you shall submit to us, in the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, and such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. Recognizing that time is of the essence, you agree that you will use your best efforts to submit such site information to us no later than forty-five (45) days after the execution of this Agreement.

6. We shall have thirty (30) days after actually receiving your site information to approve or disapprove, in our sole discretion, the proposed site as the location for the Mr. Gatti's Pizza Facility. No site may be used for a Mr. Gatti's Pizza Facility unless it is first approved in writing by us, and you shall not make any binding commitment with respect to a site for the Mr. Gatti's Pizza Facility unless the site is first approved in writing by us. If we approve multiple sites for the Mr. Gatti's Pizza Facility, you shall notify us in writing within ten (10) days of the date of such approval of the site that you intend to acquire for the Mr. Gatti's Pizza Facility. In all cases, your site for your Mr. Gatti's Pizza Facility must be approved by us within one-hundred twenty (120) days after the execution of this Agreement.

7. Within forty-five (45) days after we have approved the site for the Mr. Gatti's Pizza Facility, you shall acquire the site by purchase or lease, at your expense. If you intend to purchase the site for the Mr. Gatti's Pizza Facility, you shall submit a copy of the proposed contract of sale to us for our review prior to execution and shall furnish to us a copy of the executed contract of sale within ten (10) days after execution. If you intend to occupy the premises of the Mr. Gatti's Pizza Facility under a lease, you shall submit a copy of the proposed lease to us for our review prior to its execution and shall furnish to us

a copy of the executed lease within ten (10) days after execution. No lease for the Mr. Gatti's Pizza Facility will be approved by us unless a rider to the lease, in substantially the form attached hereto as Attachment 3, is incorporated in the lease. In all cases, you shall acquire the site for the Mr. Gatti's Pizza Facility by purchase or lease within one-hundred fifty (150) days after the execution of the Franchise Agreement.

B. Licenses; Permits. You shall be responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the premises of the Mr. Gatti's Pizza Facility. Before beginning construction of the Mr. Gatti's Pizza Facility, you shall (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Mr. Gatti's Pizza Facility, and (ii) certify in writing to us that they have been obtained and that the insurance coverage specified in Section XIII of this Agreement is in full force and effect. At our request, you shall provide us with copies of all such approvals, clearances, permits, licenses and certifications.

C. Construction and Finish Out. You shall obtain, at your expense, any architectural, engineering, design, construction and other services we deem necessary for the construction of the Mr. Gatti's Pizza Facility.

1. You shall adapt our suggested floor plans for a Mr. Gatti's Pizza Facility as necessary for the construction of the Mr. Gatti's Pizza Facility licensed under this Agreement and shall submit such adapted plans to us for review. We will notify you of any objections to the plans within thirty (30) days of receiving such plans. If we fail to notify you of an objection to the plans within such thirty (30) day period, you may use the plans. If we object to the plans, we will provide you with a reasonably detailed list of the changes needed to make the plans consistent with System Standards. We will notify you within thirty (30) days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. If we fail to notify you of any objection within such thirty (30) day period, you may use the revised plans. You acknowledge that our review of such plans is only for purposes of determining compliance with System Standards, and that our acceptance of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their structural application. We will not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall we be responsible for any errors, omissions, or discrepancies of any nature in the plans.

2. You shall promptly commence and diligently pursue construction of the Mr. Gatti's Pizza Facility. Commencement of construction is defined as the time at which any physical site work is initiated. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises, depending on whether the Mr. Gatti's Pizza Facility is to be located in a freestanding building or contained within a shopping mall, big box retailer, strip center or other interior location. During construction, you shall provide us with such periodic progress reports as we may reasonably request. In addition, we shall make such on-site inspections as we may deem reasonably necessary to evaluate such progress. At the end of construction, and at all times prior to opening, you must fill out and submit to us a worksheet, in a form acceptable by us, documenting your costs in constructing and finishing out your Mr. Gatti's Pizza Facility. We may, but are not required to, provide you with a form worksheet.

3. Before the Actual Opening Date, you must complete all exterior and interior preparations for the Mr. Gatti's Pizza Facility, including installation of equipment, fixtures, furnishings, games, amusements, and signs, pursuant to the plans and specifications that we have approved. All initial redemption and non-redemption games, amusements and prizes you will feature at the Mr. Gatti's Pizza Facility must be installed at the Mr. Gatti's Pizza Facility before the Actual Opening Date. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, you will have

no requirement to install games, amusements, or signs related to the same as contemplated herein. Subject to the proceeding, and without waiving the same, if you decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games and/or amusements, and related signage, must meet all stated requirements of this subsection.

4. You agree to notify us of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. Within a reasonable time after the date construction is completed, we shall, at our option, conduct an inspection of the completed Mr. Gatti's Pizza Facility. You shall not open the Mr. Gatti's Pizza Facility for business without our written authorization, which authorization shall be conditioned upon your strict compliance with this Agreement.

D. Required Opening Date/Actual Opening Date.

1. You must open the Mr. Gatti's Pizza Facility and commence business by the Required Opening Date set forth on Exhibit A attached to this Agreement. You acknowledge that time is of the essence and agree that you will open for business to the public on or before the Required Opening Date, but only after receiving written authorization from us. If you fail to comply with any of your pre-opening obligations under this Agreement, we shall have the right to prohibit you from opening. Your failure to open the Mr. Gatti's Pizza Facility on or before the Required Opening Date and in full compliance with these provisions will be deemed a material event of default under this Agreement.

2. Once you actually open the Mr. Gatti's Pizza Facility, we will add the Actual Opening Date to Exhibit A to this Agreement.

E. Franchise Agreement Opening Extension Right. Although you are required to open your Mr. Gatti's FEC and commence operations by the Required Opening Date, if you are behind on development of your Mr. Gatti's FEC and you believe you will not open your Mr. Gatti's FEC and commence operations by the Required Opening Date, you may seek a single 6-month extension to open your Mr. Gatti's FEC and commence operations (the "Extension Date") by requesting an extension in writing at least 60-days prior to the Required Opening Date. Such request must contain an explanation for the delay, an anticipated opening date and payment of an extension fee equal to $10,000 if you have signed a lease or purchase agreement for real property or $12,500 if you have not signed a lease or purchase agreement for real property. You will be granted the extension of the Required Opening Date to the Extension Date if you fully and timely meet all of our extension conditions, but such Extension Date will only apply to the specific Mr. Gatti's FEC to which the request applied.

IV. TERM AND RENEWAL.

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until the date which is ten (10) years from the Actual Opening Date.

B. Renewal. You acknowledge that you do not have a contractual or other right to renew this Agreement following the expiration of the term. However, if you are in Good Standing and otherwise comply with any or all of the following conditions that we may require you to meet prior to and at the time of renewal, you may request to renew your rights to the franchise for one (1) additional consecutive term of ten (10) years, which request we may grant or reject in our sole discretion, and which grant we may condition on your satisfaction of certain renewal conditions, including but not limited to the following:

1. You must give us written notice of your election to renew not less than six (6) months nor more than nine (9) months before the end of the initial term or the then-current renewal term;

2. You must refurbish, repair or replace, at your expense, all equipment, cash register and computer systems, signs and décor items (interior and exterior), fixtures, furnishings, supplies and other products and materials required for the operation of the Mr. Gatti's Pizza Facility as we may reasonably require and otherwise upgrade the Mr. Gatti's Pizza Facility to reflect the then-current standards and image of the System;

3. You must demonstrate to us that you have the right to remain in possession of the premises of the Mr. Gatti's Pizza Facility during the renewal term or obtain our consent to relocate the Mr. Gatti's Pizza Facility;

4. You must sign our standard form of franchise agreement, as amended or modified to address renewal terms, in effect at the time of your renewal, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including but not limited to the percentage used to calculate the Royalty and advertising contribution;

5. You must pay us a renewal fee in an amount applicable to your type of Mr. Gatti's Pizza Facility as set forth in Exhibit A to this Agreement;

6. You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, agents, representatives, and employees, past and present, in their corporate and individual capacities, including, without limitation, claims or any acts or omissions thereunder, whether known or unknown, arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

7. You and those of your Owners and other personnel whom we require must comply with our then-current qualification and training requirements.

V. FEES.

A. Initial Franchise Fee and Construction Oversight Fee. You must pay us a non-refundable initial franchise fee and a non-refundable construction oversight fee in the amounts applicable to your type of Mr. Gatti's Pizza Facility as set forth in Exhibit A to this Agreement. The initial franchise fee and construction oversight fee are due and payable upon the execution of the Agreement, but, if applicable, the initial franchise fee may be subject to a pro-rata credit based on payment of the development fee under the Development Agreement as set forth in Exhibit A. For the avoidance of doubt, you acknowledge this Agreement will not be effective until you have paid the initial franchise fee and construction oversight fee in full, but in all cases partially paid fees are deemed fully earned and non-refundable by us.

B. Royalty and Technology Fee.

1. During the term of this Agreement, you agree to pay to us a continuing royalty fee in an amount equal to five percent (5%) of the Mr. Gatti's Pizza Facility's Gross Sales ("Royalty"). The royalty fee shall be paid by you to us via electronic funds transfer, or any other means reasonably specified by us, and shall be due on or before the third (3rd) Business Day of each Week during the term of this Agreement for the preceding Week. For purposes of this Section V.B.1, the Mr. Gatti's Pizza Facility's first (1st) Week of operation shall begin on the Actual Opening Date and shall end on the following Sunday, and each subsequent Week shall begin on Monday and conclude on the following Sunday. We have the right to designate in writing any other period of not less than seven (7) days to be a **"Week"** under this Agreement. The date on which royalty payments are due is referred to as the **"Payment Date."** You will have no right to review or audit our usage of the Royalty Fee.

2. If a state or local law prohibits or restricts Franchisee's ability to pay Franchisor continuing Royalty fees and/or Marketing Development Fund fees and/or Media Fund fees (if applicable)

derived from the sale of alcoholic beverages at your Mr. Gatti's Pizza Facility (an "Alcohol Restriction Law"), you will be required to pay whatever increased percentages of all Gross Sales not deriving from the sale of alcohol necessary so that the Royalty fees and/or Marketing Development Fund fees and/or Media Fund fees (if applicable) you pay equals the Royalty fees and/or Marketing Development Fund fees and/or Media Fund fees (if applicable) you would pay if you were not subject to an Alcohol Restriction Law.

3. You agree to provide us with a Gross Sales Report itemizing the Gross Sales for the Mr. Gatti's Pizza Facility on the Business Day immediately preceding the Payment Date. You also agree to provide us with weekly reports of Gross Sales by telephone or such other means as we may specify.

4. During the term of this Agreement, you agree to pay to us the Technology Fee in the amount and at the time set forth in Exhibit A. We make no guarantees, warranties, or representations that you or the Mr. Gatti's Pizza Facility will benefit directly or proportionately from the Technology Fee you pay us. You will have no right to review or audit our usage of the Technology Fee.

C. Past Due Amounts; Acceptance and Application of Payments.

1. You agree to pay when due all fees and other amounts described in or contemplated by this Agreement. Time is of the essence for all payments you must make to us. Any payment not actually received by us at our corporate office on or before ten (10) days following the due date shall be deemed overdue. All unpaid obligations under this Agreement shall bear interest from the Payment Date or other date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If, for any reason, interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. In addition to the foregoing, we reserve the right to impose a returned check fee, payable upon demand, if your check for any payments due under this Agreement fails to clear.

2. Our acceptance of any payment subsequent to the due date shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement.

3. We will have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

4. You will have no right to withhold any payments due us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due us against any obligation that we may owe you.

D. Electronic Funds Transfer. At our request, you agree to execute the Electronic Funds Transfer Form attached as Exhibit C to this Agreement and all other documents necessary to pay by electronic funds transfer **("EFT")** all amounts due under this Agreement (including, without limitation, the royalty fee, advertising fund contribution, amounts for products and/or services purchased from us, if any, and the costs of procuring any required insurance coverage you fail to procure as required by this Agreement). You agree to maintain sufficient funds in the appropriate accounts for such withdrawals. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section V.B.2 of this Agreement or the Gross Sales Report. If you have not provided a Gross Sales Report within the time period required by this Agreement, you authorize us to process an EFT and debit your

designated bank account on the basis of the information we obtain pursuant to Section V.B.2 or the most recent Gross Sales Report you have provided. If at any time we determine that Gross Sales have been understated or amounts due us have been underpaid, you authorize us to debit your designated bank account for the overdue amount, plus interest, as stated above. We will credit any overpayment to your designated bank account promptly following a determination that such a credit is due. Should your bank not honor any EFT for any reason, you agree that you shall be responsible for and shall pay to us immediately on demand the payment and any service charge. Upon thirty (30) days prior written notice to you, we may designate another method of payment.

VI. OUR DELIVERABLES. During the term of this Agreement, we agree to provide, or cause the following to be provided, to you at our discretion and in the format of our determination:

A. Site Selection Guidelines and Assistance. Our written site selection guidelines and such site selection assistance as we deem advisable, including, such on-site evaluation as we may deem necessary on our own initiative or in response to your reasonable request for site approval. We will not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section III above and, in our discretion, prior to receiving such information for multiple proposed sites. We will provide one (1) evaluation of the first (1st) proposed site for each Mr. Gatti's Pizza Facility to be developed hereunder at no additional charge to you. If more than one (1) on-site evaluation is deemed appropriate by us, or is requested by you, we reserve the right to require you to pay us a reasonable fee for performing each such additional site evaluation and to reimburse us for the amount of the reasonable expenses that we incur in conducting such on-site evaluation, including, without limitation, the cost of travel, lodging, meals and wages.

B. Suggested Floor Plans. A copy of the suggested floor plans for your Mr. Gatti's Pizza Facility.

C. Brand Standards Manuals. A copy of our confidential Brand Standards Manuals (including make charts and job aids), or access to the Intranet site where our Brand Standards Manuals (including make charts and job aids) may be published, and other bulletins and written materials related to the operation of Mr. Gatti's Pizza Facilities.

D. Core Menu and Pricing. Because ours and our franchisees' goal is broad consumer acceptance of Mr. Gatti's Pizza Facility programs, products, and services and because this goal is consistent with the long term interest of the Mr. Gatti's Franchise System overall, we may exercise rights in our sole discretion with respect to a brand core menu at all related Mr. Gatti's Pizza Facilities and pricing of programs, products, and services to the fullest extent permitted by then-applicable law. These rights may include, without limitation, implementation of a brand core menu offering the same menu items in all related Mr. Gatti's Facilities, excepting for regional consumer favorites, and prescribing minimum and/or maximum retail prices which you may charge customers for the programs, products, and services offered and sold at your Mr. Gatti's Pizza Facility; advertising specific retail prices for some or all programs, products or services sold by your Mr. Gatti's Pizza Facility, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your franchised Mr. Gatti's Pizza Facility may charge the public for the programs, products and services it offers. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Mr. Gatti's Pizza Facility and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your Mr. Gatti's Pizza Facility retail prices.

E. Training. Access to an initial management training program for your Managing Owner, Regional Manager and/or Mr. Gatti's Pizza Facility Manager, and such additional and remedial training programs as we determine to be appropriate.

F. Opening Assistance. We will provide such on-site pre-opening and opening assistance as we reasonably deem necessary at no additional charge to you in accordance with our then applicable System Standards. If you or your Affiliates develop and open multiple, similar Mr. Gatti's Facilities, then beginning with the fifth Mr. Gatti's Facility opening we may charge you our then-current per diem rate for any pre-opening and opening assistance that we provide.

G. Advice and Guidance. General advice and guidance concerning the standards, specifications, and procedures that we may develop for operating a Mr. Gatti's Pizza Facility, including guidance with respect to the purchasing or leasing of required furniture, fixtures, equipment, games and supplies. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, we will have no requirement to provide you advice and guidance with respect to the purchase or lease of required games as contemplated herein.

H. Inspections. Periodic inspections of your Mr. Gatti's Pizza Facility and evaluations of the products sold, and services rendered at and from the Mr. Gatti's Pizza Facility, at such times as we reasonably determine.

I. Advertising. Administration of a marketing development fund in accordance with Section IX, and the provision of such advertising and promotional materials as we may develop from time to time for use in marketing Mr. Gatti's Pizza Facilities. We may charge a reasonable fee to cover the cost of producing local advertising and promotional materials.

J. Social Media. Unless otherwise expressly agreed, neither you nor any of your Owners, employees or agents may use the Marks or otherwise mention the Mr. Gatti's Pizza Facility, Mr. Gatti's Network or System in connection with any business or personal uses of Social Media. In all cases, we have sole discretion and control over any profiles using or relating to the Marks, Mr. Gatti's Pizza Facility, Mr. Gatti's Network or System, or that display the Marks, that are maintained or posted on Social Media. We may (but need not) establish guidelines pursuant to which you may establish profiles or otherwise establish a presence on Social Media. In such event, you will comply with the standards, protocols and restrictions that we impose from time to time on such use, and we will have the right to revoke any prior permissions as it deems appropriate due to any violations thereof. We may use part of the Funds monies we collect under this Agreement to pay or reimburse the costs associated with the development, maintenance and update of profiles on Social Media. In all cases, you will indemnify the Indemnitees with respect to any Losses and Expenses incurred by the Indemnitees arising from third party claims with respect to any such authorized or unauthorized use of Social Media.

K. Franchisor Deliverables and Assistance. Notwithstanding the above, you acknowledge that we have full discretion to determine which deliverables under this Agreement will be applicable to you, and when and how such deliverables will be performed if we deem them applicable to you. If we determine that certain deliverables are not applicable to you based on your particular circumstances, our decision on any such deliverables is final and binding on you.

VII. YOUR ACKNOWLEDGMENTS AND AGREEMENTS. To induce us to sign this Agreement and grant you the franchise, you acknowledge and agree as follows:

A. Accuracy of Franchise Application. The statements made in your application and the materials you submitted to us are complete and accurate and do not contain any material misstatements or omissions.

B. Organization. If at any time during the term of this Agreement you are a corporation, partnership, limited liability company or other legal entity: (i) you are duly organized and validly existing under the law of the state of your formation; (ii) you are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification; and (iii) you have the authority to execute, deliver and perform your obligations under this Agreement.

C. Ownership. Your ownership structure is accurately and completely described in Exhibit B and you and your Owners will change that ownership structure only in accordance with the procedures contemplated by this Agreement. Your organizational documents or partnership agreement will provide that the issuance and transfer of ownership interests in you are restricted by the terms of this Agreement, and your stock certificates or other instruments evidencing ownership interests in you will bear a legend referring to that restriction. You agree to provide to us a current list of your Owners, within ninety (90) days following the end of each fiscal year. Such list shall specifically designate your Managing Owner and shall further identify all of your officers and directors and any Regional Manager, whether or not such persons are Owners.

Notwithstanding the foregoing, there shall be no amendment, change, or variance from the persons or entities holding legal or beneficial interest in Owners as of the Effective Date of this Agreement, or their respective percentages of interest. If any of Owners' general partners, members, shareholders, officers, or directors plan to resign, actually resign, or cease to serve Owners in such capacity, or die, or for any reason are disabled or disqualified, Owner shall give notice to us immediately and in writing. Promptly upon our request, Owners shall furnish a list of the names, addresses and telephone numbers of all holders of a legal and beneficial interest in Owners, together with a description and percentage amount of each such interest, which will be certified as correct by Owners.

D. Financial Matters. You will provide us with any and all loan or other documents regarding the financing of your Mr. Gatti's Pizza Facility that we may request. At all times during the term of this Agreement you will maintain sufficient working capital to fulfill your obligations under this Agreement.

E. Owners' Undertakings. At our request, each of your current and future Owners will sign the Guaranty and Assumption Agreement **("Guaranty")** attached to this Agreement as Attachment 1. Those of your Owners who are not required to sign the Guaranty will each sign a Confidentiality and Non-Compete Agreement, with Owner's undertakings, in the form of Attachment 2 to this Agreement. Annually, or more frequently as we may reasonably require, those of your Owners who have signed the Guaranty shall submit to us their personal financial statements.

F. Independent Investigation. You acknowledge that you have conducted an independent investigation of the System and the Mr. Gatti's Network. You recognize that the success of this business venture involves substantial business risks. We expressly disclaim making, and you acknowledge that you have not received or relied on, any warranty or guarantee, express or implied, as to the potential success of Mr. Gatti's Pizza Facilities (including, without limitation, the potential volume or profits of the Mr. Gatti's Pizza Facility which is the subject of this Agreement), the System or the Mr. Gatti's Network.

G. Consultation with Advisors. You acknowledge that you have received, read and understand this Agreement and the related Exhibits, Attachments and Addenda and that we have afforded you sufficient time and opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

H. FTC Rule Compliance. You acknowledge that you received a complete copy of this Agreement and all related Exhibits, Attachments and Addenda and that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure

Requirements and Prohibitions Concerning Franchising" within the time periods required by applicable federal and state laws.

I. Legal Compliance. In addition to complying with your obligations under this Agreement, you shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement.

J. Powers of Attorney. You hereby appoint us your true and lawful attorney-in-fact, with full power and authority to (i) assign to us upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Mr. Gatti's Pizza Facility, and all rights to any Website listings or services, search engines or systems, and any other business listings related to the Mr. Gatti's Pizza Facility and (b) at our option, your interest in any lease for the premises of the Mr. Gatti's Pizza Facility and any equipment used in the operation of the Mr. Gatti's Pizza Facility; and (ii) obtain any and all returns and reports related to the Mr. Gatti's Pizza Facility that you file with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement. You shall execute the power of attorney attached as Exhibit D to this Agreement and such other forms and documents as we deem necessary to appoint us your true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

K. No Competing Interests. You warrant and represent that neither you nor any of your Affiliates, Owners or Immediate Family members own, operate or have any financial or beneficial interest in any Competing Business.

L. Performance Standards. You agree to use all commercially reasonable efforts throughout the term of this Agreement to maximize the Mr. Gatti's Pizza Facility's volume of business by taking such actions as may be reasonably designed to accomplish such purpose.

M. Business Plan. You agree to submit to us, within sixty (60) days following the execution of this Agreement and annually thereafter within thirty (30) days prior to the end of each calendar year, a written business plan for the operation and marketing of the Mr. Gatti's Pizza Facility. If you or your Affiliates operate more than one Mr. Gatti's Pizza Facility under franchise agreements with us, such business plan shall include your plans for all such Mr. Gatti's Pizza Facilities, individually and collectively. You agree to consider modifications to your business plan recommended by us and to advise us of any material modifications to your business plan.

N. Terrorist and Money Laundering Activities. You and your Owners represent and warrant to us that neither you, nor any Owner, nor any of their respective Affiliates is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at **www.treas.gov/offices/enforcement/ ofac/**). Further, you and your Owners represent and warrant that neither it nor any Owner or Affiliate referred to above has violated and agrees not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act (text currently available at **http://www.epic.org/privacy/terrorism/ hr3162.html**), U.S. Executive Order 13244 (text currently available at http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html), or any similar law. The foregoing constitute continuing representations and warranties, and you and the Owners shall immediately notify us in writing of the

occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

O. No Mandatory Security or Employment Directives. You acknowledge and agree that the System does not include any mandatory personnel policies or procedures or security-related policies or procedures, even if we (at our option) may make certain materials available to you in the Brand Standards Manuals or otherwise for your optional use. You will determine to what extent, if any, personnel or security-related policies and procedures might apply to operations at the Mr. Gatti's Pizza Facility. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of your Mr. Gatti's Pizza Facility employees or patrons.

P. No Joint Employer Status. We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

VIII. MR GATTI'S PIZZA FACILITY OPERATIONS.

A. Management. Upon the execution of this Agreement, you must designate, and must retain at all times during the term of this Agreement, an individual to serve as your Managing Owner. You must give your Managing Owner sufficient decision-making authority to expedite the determinations and decisions that are essential to the effective and efficient operation of your business and must empower him with full authority to act for and on your behalf. If you are signing this Agreement pursuant to a Development Agreement, the Managing Owner for all Mr. Gatti's Pizza Facilities operated by you and, if applicable, your Affiliates, shall be the same person, and the Managing Owner under this Agreement and under the Development Agreement shall be the same person. Unless a Regional Manager is designated pursuant to Section VIII.A.1, your Managing Owner shall devote full time and best efforts to the supervision of the business contemplated by this Agreement and/or any other Franchise and Development Agreements between us and you or your Affiliates. The foregoing sentence shall not apply if a Regional Manager is designated, provided, that the Regional Manager shall devote his or her full time and best efforts to the supervision and operation of the business contemplated by this Agreement and/or any other Franchise and Development Agreements between us and you or your Affiliates.

1. You may, at your option and subject to our written consent, designate a Regional Manager to supervise the operation of the Mr. Gatti's Pizza Facility; provided, that the Regional Manager under this Agreement and under each Franchise and Development Agreement between us and you or your Affiliates is the same individual; and provided further, that you and your Managing Owner shall remain fully responsible for Regional Manager's performance. Any Regional Manager must meet our qualifications, as set forth in this Agreement, the Brand Standards Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on your behalf.

2. You must promptly notify us if the Managing Owner or any Regional Manager cannot continue to serve or is no longer qualified to serve in that capacity and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section VIII.A will be a material breach of this Agreement.

3. You are not permitted to engage any third-party management company or other third-party operator to manage or operate the Mr. Gatti's Pizza Facility unless expressly authorized by us in writing in our sole discretion.

B. Mr. Gatti's Pizza Facility Manager. Not later than sixty (60) days before the proposed opening date for your Mr. Gatti's Pizza Facility, you shall designate, and shall retain at all times during the term of this Agreement at least one (1) Mr. Gatti's Pizza Facility Manager, to direct the day-to-day operation and management of the Mr. Gatti's Pizza Facility. The Mr. Gatti's Pizza Facility Manager may, but need not, be the Managing Owner or Regional Manager. The Mr. Gatti's Pizza Facility Manager shall: (i) meet our qualifications, as set forth in this Agreement, the Brand Standards Manuals, or otherwise in writing; and (ii) devote full time and best efforts to the day-to-day operation and management of the Mr. Gatti's Pizza Facility and shall not engage in any other business activity without our prior written consent.

C. Training. Your Managing Owner, Mr. Gatti's Pizza Facility Manager, and, if applicable, Regional Manager shall successfully complete our management training program prior to the Actual Opening Date. Any successor or replacement Managing Owner, Regional Manager or Mr. Gatti's Pizza Facility Manager shall successfully complete our management training program within a reasonable time after such persons are designated. Such persons, and any other personnel of you whom we may designate, shall attend and complete any additional training that we may from time to time require. Training shall be conducted at locations designated by us.

1. Initial management training for your Managing Owner, Regional Manager and Mr. Gatti's Pizza Facility Manager is provided at no additional charge; however, we reserve the right to charge a reasonable fee (i) for training any additional personnel you ask us and we agree to train, (ii) for training successor or replacement personnel, and (iii) for additional training programs. You shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by you, your Managing Owner, Regional Manager, or Mr. Gatti's Pizza Facility Manager.

2. If any Managing Owner, Regional Manager, or Mr. Gatti's Pizza Facility Manager fails, in our sole judgment, to satisfactorily complete our management training program, and you fail to cure such default within ninety (90) days following written notice from us, we may terminate this Agreement.

D. Standards Compliance. You acknowledge the importance of maintaining uniformity among Mr. Gatti's Pizza Facilities and the importance of complying with the System Standards. To develop and protect our reputation and goodwill and to develop and maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Brand Standards Manuals, other written directives which we may issue to you from time to time, and any other Brand Standards Manuals and materials created or approved for use in the operation of Mr. Gatti's Pizza Facilities.

E. Maintenance of Mr. Gatti's Pizza Facility. Throughout the Term of this Agreement, you shall maintain the Mr. Gatti's Pizza Facility in a high degree of sanitation and repair, and shall continuously refresh the Mr. Gatti's Pizza Facility by making such additions, alterations, remodels, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, décor, games and equipment (including, but not limited to, point of sale or Computer Systems) as we may require and direct. You also shall obtain, at your cost and expense, any new or additional equipment, fixtures, games, supplies and other products and materials which we may reasonably require for you to offer and sell new services or products from the Mr. Gatti's Pizza Facility or to provide such services or products by alternative means. Except as may be expressly provided in the Brand Standards Manuals, no alterations, improvements or changes of any kind in design, equipment, games, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Mr. Gatti's Pizza Facility without our prior written approval. If your type of Mr. Gatti's Pizza Facility does not

require the use or installation of games or amusements, you will have no requirement to maintain, or acquire and install games, amusements, or signs related to the same as contemplated herein. Subject to the proceeding, and without waiving the same, if you decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games and/or amusements, and related signage, must meet all stated requirements of this subsection.

F. Upgrade of Mr. Gatti's Pizza Facility. Except as provided in Section VIII.H.8 of this Agreement, you shall, at our direction from time to time during the term of this Agreement, make such capital and other improvements to the Mr. Gatti's Pizza Facility as we may require to conform it to the then-current System Standards, which includes conformance with the requirements mandated in Section VIII.E.

G. Sourcing. All supplies, materials, fixtures, furnishings, equipment, games, redemption items, food products bearing the Marks or a private-label, and other products used in or offered for sale or redemption at the Mr. Gatti's Pizza Facility must meet our System Standards. In addition, if we designate a supplier for a particular item or if we require you to purchase an item from an approved supplier, you must obtain that item only from those suppliers that we designate or approve in writing. You shall at all times remain current on all fees and payments and fully comply with and perform each of your obligations to our vendors and suppliers and any other vendors and suppliers for your Mr. Gatti's Pizza Facility. We may designate ourselves or one of our Affiliates as the sole approved supplier of any item, including, without limitation, games, amusements, rides and redemption items used in or offered at the Mr. Gatti's Pizza Facility. If we require that you purchase a certain item or that an item be purchased from an approved supplier, and you wish to acquire a different item or to acquire the required item from an unapproved supplier, you must submit to us a written request for approval. You shall not acquire the unapproved item or the approved item from an unapproved supplier until and unless such unapproved item or supplier has been approved in writing by us. We shall not be required to approve any particular item or supplier, but we will notify you of our decision to approve or reject a particular item or supplier within thirty (30) days following your request. We will approve only those items that meet our standards and specifications and only those suppliers who demonstrate to our satisfaction the ability to meet our then-current System Standards and who possess adequate quality controls and the capacity to supply your needs and the needs of the Mr. Gatti's Network promptly and reliably. We shall have the right to require that our representatives be permitted to inspect the supplier's Mr. Gatti's Pizza Facilities, and that samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. In our discretion, you or the supplier may be required to pay a charge, not to exceed the reasonable cost of the inspection, the actual cost of the test, and our reasonable per diem charge for the administrative time incurred in processing your request. We reserve the right, at our option, to re-inspect the Mr. Gatti's Pizza Facilities and products of any approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we notify you in writing that we have withdrawn our approval of a previously approved supplier, you must promptly stop using that supplier. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, you will have no requirement to source games or amusements as contemplated herein. Subject to the proceeding, and without waiving the same, if after construction of your Mr. Gatti's Pizza Facility, you subsequently decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games and/or amusements must meet all stated requirements of this subsection.

H. Operational Requirements. You shall operate the Mr. Gatti's Pizza Facility in full conformity with the System Standards and specifications as set forth in the Brand Standards Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you agree to:

1. Offer for sale or redemption all, and only those, menu items, food products bearing the Marks or a private-label, and other products, redemption items and services (including, without limitation, games, rides and other amusements) we specify, utilizing the method, manner and style of distribution we prescribe, in the Brand Standards Manuals or otherwise in writing. You will discontinue

selling and offering for sale or redemption any menu items, food products bearing the Marks or a private-label, and other products, redemption items or services (including, without limitation, games, rides and other amusements), and any method, manner or style of distribution, which we may, in our sole discretion, disapprove in writing at any time. If you wish to sell or offer to sell any menu item that is not part of our Brand Standards Manuals, then you must obtain our advance written permission, which we may deny for any or no reason on our sole discretion. You will refrain from deviating from the System Standards without our prior written consent. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, you will have no requirement to offer for sale or redemption menu items or products related to games, rides, or amusements as contemplated herein. Subject to the proceeding, and without waiving the same, if after construction of your Mr. Gatti's Pizza Facility, you subsequently decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games and/or amusements must meet all stated requirements of this subsection.

2. Maintain in sufficient supply and use and sell at all times only such food and beverage items as conform to our standards and specifications; prepare all menu items using the prescribed type and measure of ingredients, in accordance with our recipes and procedures for preparation contained in the Brand Standards Manuals or other written directives, and refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent.

3. Permit us or our agents, at any reasonable time, to remove samples of food or non-food items from the Mr. Gatti's Pizza Facility, without payment, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our specifications.

4. Purchase or lease and install, at your expense, all fixtures, furnishings, games, redemption items and equipment (including Computer Systems), décor items, signs, and related items that we may reasonably direct from time to time in the Brand Standards Manuals or otherwise in writing; and refrain from installing or permitting to be installed on or about the Mr. Gatti's Pizza Facility premises, without our prior written consent, any fixtures, furnishings, games, equipment, décor items, signs, video or other games, vending machines or other items not previously approved as meeting our standards and specifications, as set forth in the Brand Standards Manuals. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, you will have no requirement to purchase and install games, amusements, or signs related to the same as contemplated herein. Subject to the proceeding, and without waiving the same, if after construction of your Mr. Gatti's Pizza Facility, you subsequently decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games, rides and/or amusements, and related signage, must meet all stated requirements of this subsection.

5. Grant us and our agents the right to enter the Mr. Gatti's Pizza Facility and, in our discretion, to examine all aspects of the Mr. Gatti's Pizza Facility's operations at any time for the purpose of conducting inspections; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct promptly any deficiencies detected during an inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time, as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee, payable on demand, for our expenses in so taking the corrective action (including, without limitation, any necessary re-inspection).

6. Maintain a competent, conscientious, trained staff (including the positions we require) and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with any dress code we may prescribe. You must promptly notify us of any suspected or actual union activity at the Mr. Gatti's Pizza Facility.

7. Purchase or lease and maintain the number and type of games, amusements, rides and other attractions we require. You must obtain our written approval before installing any game, amusement, ride or other attraction at the Mr. Gatti's Pizza Facility which we have not previously approved in writing. Excluding any like arrangement, you may make with us, you are prohibited from leasing any game, amusement, ride or other attraction on a "shared revenue" or "coin sharing" basis. You must at all times retain the right to substitute games, amusements, rides or attractions and to control the maintenance and operation and the collection of monies from such games, amusements, rides or attractions. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, you will have no requirement to purchase or lease, and install games, amusements, or rides as contemplated herein. Subject to the proceeding, and without waiving the same, if after construction of your Mr. Gatti's Pizza Facility, you subsequently decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games, rides and/or amusements must meet all stated requirements of this subsection.

8. All games, amusement devices, rides and other entertainment items you install in your game room and about the Mr. Gatti's Pizza Facility must continually meet our standards and specifications in place at the time of installation and inspection, whenever that may be. This includes maintaining a specific game type mix (currently a minimum of seventy percent (70%) of all game titles must be redemption or self-merchandiser type games, with the remaining thirty percent (30%) of game titles being a mix of video and attraction type games). We also currently require that, annually beginning after the opening of the Mr. Gatti's Pizza Facility (determined over any three (3) consecutive years during the term of the Franchise Agreement), you must replace the lowest 10% of performing games in your game room. We require this annual game replacement process to be completed in two phases (five percent (5%) in February and five percent (5%) in June of the calendar year). If you do not satisfy your annual games replacement requirement, you must pay us liquidated damages equal to the difference between the amount you are required to spend on replacement games and the actual amount you do spend on replacement games. If your type of Mr. Gatti's Pizza Facility does not require the use or installation of games or amusements, you will have no requirement to purchase or lease, and install games, amusements, or rides as contemplated herein. Subject to the proceeding, and without waiving the same, if after construction of your Mr. Gatti's Pizza Facility, you subsequently decide to purchase and install games or amusements however minimal or inconsequential in nature, you must first obtain our written approval. If so approved, your games and/or amusements must meet all stated requirements of this subsection.

9. Obtain and maintain all licenses and pay licensing fees for all music played in your Mr. Gatti's Pizza Facility, including with ASCAP, BMI and other companies.

10. Comply with our then current hours of operation and holiday schedules unless otherwise approved in writing by us (current requirements include minimum hours of operations from 11:00 am to 9 pm seven (7) days a week with closure on Thanksgiving Day and Christmas day, and optional closure on Easter, July 4th and Christmas Eve).

11. Participate in any gift certificate, gift card or similar program established by us. You must purchase and maintain a minimum inventory of gift certificates or cards, offer such gift certificates or cards for sale and shall honor any such gift certificates or cards presented at your Mr. Gatti's Pizza Facility for the purchase of tickets or food or beverage items. You may not create or issue your own gift certificates or cards and shall only sell gift certificates or cards approved by us.

12. Adhere to our then current specifications with respect to any voucher programs such as Groupon, Living Social or other similar offerings, including with respect to the calculation of Gross Sales based on the sale and redemption of vouchers and similar certificates.

13. Participate in any customer loyalty program established by us and pay all participation fees due to us or any third-party vendor.

14. Participate in programs and/or adhere to any then current policies or specifications we develop, maintain or require from time to time with respect to the use of Artificial Intelligence in connection with the development and operation of Mr. Gatti's Pizza Facilities generally or the Mr. Gatti's Pizza Facility.

I. Computer Systems and Electronic Access. You shall install and maintain the Computer Systems (including, without limitation, point of sale and redemption software broadband internet services that we may use to access sales information and other data on the Computer System) we require for the operation of Mr. Gatti's Pizza Facilities and shall follow the procedures related thereto that we specify in the Brand Standards Manuals or otherwise in writing. Among other things, we may require that you install and maintain Computer Systems that permit us to access and retrieve electronically any information stored in your computer systems, including, without limitation, information concerning the Mr. Gatti's Pizza Facility's Gross Sales, at the times and in the manner that we may specify from time to time. We also may require you to enter into software license agreements in the form that we require for software we develop or acquire for use in the Mr. Gatti's Pizza Facilities. All information contained in and collected by any such Computer System (including, but not limited to, information pertaining to sales and customers of the Mr. Gatti's Pizza Facility) shall be our sole and exclusive property and Confidential Information, and we will have, at all times, the right to directly access, retrieve and use all such information, and you agree to take such action as may be necessary to provide such continuing access to us. Your blocking of continuing access to us will constitute a material default of this Agreement. Following installation of the Computer System, each transaction at the Mr. Gatti's Pizza Facility will be processed on the Computer System in the manner we prescribe from time to time.

J. Internet Websites. You shall not establish or maintain any website or other listing on the Internet relating to the Mr. Gatti's Pizza Facility except as provided herein.

1. We have established, or may establish, and maintain an Internet Website that provides information about the System and the products and services that all types of Mr. Gatti's Pizza Facilities provide (the **"Mr. Gatti's Website"**). We will have sole discretion and control over the Mr. Gatti's Website, including, without limitation, timing, design, contents and continuation. We may use part of the Marketing Development Fund monies we collect to pay or reimburse the costs associated with the development, maintenance and update of the Mr. Gatti's Website.

2. We also have the sole right, but no obligation, to develop an Intranet through which we may conduct training and other activities and through which we and our franchisees can communicate by e-mail or similar electronic means. If we develop such an Intranet, you agree to use the Intranet in strict compliance with the standards, protocols and restrictions that we include in the Brand Standards Manuals including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

K. Customer Complaints. You shall process and handle all consumer complaints connected with or relating to the Mr. Gatti's Pizza Facility, and shall promptly notify us of all: (i) food related illnesses, (ii) safety or health citations or violations, (iii) claims exceeding One Thousand Dollars ($1,000), (iv) claims regarding discrimination, harassment or accessibility (including employee claims) and (v) any other material claims against or losses suffered by you. You shall maintain any communications with

governmental authorities affecting the Mr. Gatti's Pizza Facility during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

L. Vehicles. You are responsible for the operation of all vehicles you use in connection with the Mr. Gatti's Pizza Facility. You must maintain at least the level of automobile liability insurance required pursuant to Article XIII of this Agreement and, under Article XVI of this Agreement, you must indemnify us for any and all losses we incur as a result of the operation of such vehicles. You must place such signs and décor items on the vehicles you use in the operation of the Mr. Gatti's Pizza Facility as we require and must at all times keep the vehicles clean and in good working order. You shall not permit anyone to operate a vehicle used in connection with the Mr. Gatti's Pizza Facility who is under the age of eighteen (18) years or who is not insured, or who does not possess a valid driver's license issued by the state in which the Mr. Gatti's Pizza Facility is located. You shall require each person who operates a vehicle used in connection with Mr. Gatti's Pizza Facility to comply with all applicable laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of the vehicles. Except as stated herein, we do not exercise any control over any vehicle used by you.

M. Third-Party Delivery Service. You are required to provide third-party delivery service within your Designated Delivery Area by contracting with designated third-party provider(s) which have been pre-approved by us. If you wish to use a third-party delivery service not already designated and approved by us, you must request and receive our approval of such third-party delivery service provider prior to using and contracting with such third-party provider. You are further required to ensure that third-party delivery service providers provide us with third-party delivery sales data on a weekly basis.

N. Non-Compliance Fees for Operational Defaults. You acknowledge the importance of operating the Mr. Gatti's Pizza Facility in full compliance with this Agreement and the System Standards, and that any deviation from any contractual requirement, including but not limited to any System Standards, is a violation of this Agreement and will trigger incalculable administrative and management costs for us to address the violation (separate and apart from any damages your violation might cause to the System, our business opportunities, or the goodwill associated with the Marks). Therefore, you agree to be pay the following Non-Compliance Fees to us as and when applicable: $1,000 for each initial individual deviation from a contractual requirement under this Agreement, including but not limited to any Brand Standards, identified in writing by us. The Non-Compliance Fee will double to $2,000 if we discover that the same (or a substantially similar) deviation has occurred, after the initial deviation, during on one or more consecutive, subsequent visits to, or inspections or audits of the Mr. Gatti's Pizza Facility and will double again to $4,000 for the second repeat deviation and each subsequent repeat deviation thereafter. (The Non-Compliance Fee does not apply to payment defaults for which we may charge interest). Non-Compliance Fees are a reasonable estimate of our administrative and management costs and not a penalty. We may in our sole discretion, but are not required to give you a cure opportunity (of which any granted cure period shall not be deemed as an election of remedies) before charging the Non-Compliance Fees, and charging the Non-Compliance Fee does not prevent us from seeking to recover damages to the System, our business opportunities, or the goodwill associated with the Marks due to your violation, seeking injunctive relief to restrain any subsequent or continuing violation, and/or formally defaulting Franchisee and terminating this Agreement in accordance with its terms.

IX. ADVERTISING AND RELATED FEES.

A. Advertising Approvals. You agree that any advertising, promotion and marketing you conduct (whether mandated under this Article IX or voluntarily undertaken by you) will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within fifteen (15) days after our receipt of such materials, we will be deemed to have given the required approval, but we may withdraw our approval

at any time. You may not use any advertising or promotional materials that we have disapproved. Any uses of Social Media must be conducted in accordance with Section VI.J. of this Agreement.

B. Advertising Expenditure Requirements; Credits. You and we agree that advertising and promotion are essential for the success of the Mr. Gatti's Pizza Facility. Therefore, you agree to make advertising expenditures on an annual basis commencing on the Effective Date as follows:

1. To spend not less than two percent (2%) of the Mr. Gatti's Pizza Facility's Gross Sales on media advertising and Local or Regional Advertising.. Notwithstanding the foregoing, you agree that we have the right, upon thirty (30) days' prior written notice, to increase your local advertising and media expenditure requirement to three percent (3%) of the Mr. Gatti's Pizza Facility's Gross Sales, and to require that a minimum of two percent (2%) thereof be allocated to Media and one percent (1%) to Local or Regional Advertising. You may credit against your Local Advertising Requirement and/or Media Requirement (to the extent such expenditures are made for Media) (i) the direct expenses associated with your Marketing Director as provided in the Brand Standards Manuals or otherwise in writing, such credit not to exceed Fifty Thousand Dollars ($50,000) annually, (ii) the costs of advertisements as provided in Section IX.B.3 and Section IX.B.4, (iii) grand opening costs under Section IX.C as approved by us in our sole discretion, (iv) additional marketing material purchased in addition to a new product launch kit sent out by us, (v) up to four percent (4%) of cooperative contributions under Section IX.D.1, and (vi) up to two percent (2%) of Media Fund contributions provided in Section IX.D.2.

2. To pay two percent (2%) of the Mr. Gatti's Pizza Facility's Gross Sales to the Mr. Gatti's Marketing Development Fund. We have established, and may, at our option, continue to operate the Mr. Gatti's Marketing Development Fund, which is funded by contributions from all types of Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System, although we may create one or more separate Marketing Development Funds for different types of Mr. Gatti's Pizza Facilities at our discretion. Such contributions may be used in connection with sales, public relations campaigns, costs of creation and production of marketing tools, regional and national advertising materials, and such other information and materials for all types of Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System as we determine, in our sole discretion, from time to time. We reserve the right to change the percentage of contribution to the Mr. Gatti's Marketing Development Fund; provided however, that during the term of this Agreement, your contribution will not exceed two percent (2%) of your Mr. Gatti's Pizza Facility's Gross Sales, and we agree to give you written notice at least sixty (60) days prior to changing this percentage. We will direct all programs financed by this Fund, with sole discretion over the creative concepts, materials and endorsements used therein, and the geographic, market and Media placement and allocation thereof. We make no guarantees that you will receive value of any kind or nature from your contributions to this Fund.

3. To place and pay the cost of written or online advertisements and listings in such directories and categories as we may specify from time to time in the Brand Standards Manuals or otherwise in writing. Amounts spent under this Section will be credited toward the Local Advertising Requirement under Section IX.B.1.

4. To participate in any sales promotion programs that we may establish from time to time, in our sole discretion, including, but not limited to, gift card programs, loyalty programs, contests, sweepstakes, coupon programs and cross-promotional programs designed to promote Mr. Gatti's Pizza Facilities (**"Promotional Programs"**) using some or all of the Marks and/or System we franchise. The standards and specifications that we establish for such programs shall be binding upon you. Costs related to these promotional programs will be in addition to advertising expenditure requirements in other Sections of this Agreement.

C. Grand Opening. You agree to spend a minimum of the amount applicable to your type of Mr. Gatti's Pizza Facility as set forth in Exhibit A to this Agreement to carry out pre-opening, grand

opening, and one-year anniversary promotions for your Mr. Gatti's Pizza Facility in accordance with our then current standards, including, without limitation, those related to the type, size and duration of the grand opening promotion. We must approve all advertising items, methods and Media you use in connection with such grand opening promotion in accordance with Section IX.A. You will work with us to review and create a grand opening advertising expenditure and marketing plan, which will include a budget. Upon request, you must submit to us expenditure reports, accurately reflecting your grand opening expenditures. Subject to our approval, amounts spent under this Section may be credited toward the Media Requirement (to the extent spent on Media) and/or the Local Advertising Requirement under Section IX.B.1. We reserve the right to require you to deposit with us the funds required under this section to distribute as may be necessary to conduct the grand opening advertising expenditure and marketing plan. We make no guarantees that you will receive value of any kind or nature, including a certain or defined level of sales, from your grand opening advertising expenditure and marketing plan or the amount you will spend or deposit with us. Your failure to comply with the requirements of this section, either in failing to create a grand opening advertising expenditure and marketing plan or spending the amount stated in Exhibit A, may constitute a default, exercisable in our discretion, under this Agreement.

D. Other Advertising Options.

1. Cooperative. You agree that we may designate a geographic area in which two (2) or more Mr. Gatti's Pizza Facilities of any type are located as a region in order to establish an advertising cooperative (**"Cooperative"**). The Cooperative's members in any area will include all types of Mr. Gatti's Pizza Facilities operating in that area (including Mr. Gatti's Pizza Facilities owned by us or our Affiliates, if applicable) using some or all of the Marks and/or System. Each Cooperative will be organized and governed in accordance with governing documents approved by us and commencing on a date that we determine in advance. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials and place advertising in Media for the area that the Cooperative covers. If, as of the time you sign this Agreement, we have established a Cooperative for the geographic area in which the Mr. Gatti's Pizza Facility is located, or if we establish a Cooperative in that area during the term of this Agreement, you agree to sign the documents we require to become a member of the Cooperative and to participate in the Cooperative as those documents require.

You must contribute to the Cooperative at least those amounts required by the Cooperative's governing documents. Such amounts shall not exceed four percent (4%) of the Mr. Gatti's Pizza Facility's Gross Sales. All contributions to the Cooperative, including any contributions in excess of those required by the Cooperative's governing documents, may be applied toward satisfaction of your Local Advertising Requirement or, to the extent such contributions are spent on Media, to your Media Requirement, set forth in Section IX.B.1. We retain the right to approve all expenditures made by the Cooperative. You agree to submit to us and the Cooperative any reports that we or the Cooperative require. The Cooperative will operate solely to collect and spend cooperative contributions for the purposes described above. The Cooperative and its members may not use any advertising, marketing or promotional plans or materials without our prior written consent.

2. Media Fund. In addition to the Mr. Gatti's Marketing Development Fund, we may establish a Media Fund to be used to purchase such Media placements as we may, from time to time, determine to be in the best interests of the System. You are not currently required to contribute to the Media Fund, but we have the right, upon thirty (30) days' prior written notice to you, to require you to contribute to the Media Fund(s) up to a total of two percent (2%) of the Mr. Gatti's Pizza Facility's Gross Sales. Any amount you are required to contribute to the Media Fund(s) will be credited towards your Media Requirement under Section IX.B.1.

E. Administration of Funds.

1. All contributions to the Mr. Gatti's Marketing Development Fund(s) and the Media Fund(s) (as may be applicable) (collectively, the **"Funds"**) are payable at the time and in the manner that royalty payments are made. All different types of franchised Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System will contribute to the Funds; subject to our right to create separate Funds for different types of Mr. Gatti's Pizza Facilities. Although the Funds will be accounted for separately from our other funds, we will have no duty to segregate and hold separately the amounts that constitute these Funds. We may spend, on behalf of the Funds, in any fiscal year an amount greater or less than the aggregate contribution of all Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System to the Funds in that year and you agree that you will have no right to review or audit the financial statements of the Funds. We have the right to cause the Funds to be incorporated or operated through a separate entity at such time as we deem appropriate, and any such successor entities will have all of the rights and duties specified herein. The Funds may be used to defray advertising-related operating expenses such as reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the Funds and their programs, including, without limitation, conducting market research, preparing advertising, public relations, promotion and marketing materials and collecting and accounting for contributions to the Funds.

2. You acknowledge that the Funds are intended to maximize recognition of the Marks and patronage of Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System. Although we will endeavor to utilize the Funds to develop advertising and marketing materials and programs and the Media Fund (if applicable) to place advertising that will benefit all different types of Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System, we undertake no obligation to ensure that expenditures by the Funds in or affecting any geographic area are proportionate or equivalent to the contributions to the Funds by different types of Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System operating in that geographic area or that any Mr. Gatti's Pizza Facilities using some or all of the Marks and/or System will benefit directly or in proportion to its contribution to the Funds from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Funds.

3. We reserve the right to defer or reduce contributions and, upon thirty (30) days' prior written notice to you, to reduce or suspend contributions to and operations of the Funds for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Funds (and, if suspended, deferred or reduced, to reinstate such contributions). If the Funds are terminated, all unspent monies on the date of termination will be distributed to the contributors in proportion to their respective contributions to the Funds during the preceding twelve (12) month period.

F. Reporting Requirement. Within fifteen (15) days following the end of each calendar quarter and thirty (30) days following the end of each calendar year, you must submit to us a report detailing your Local or Regional Advertising and Media expenditures during such quarter. In addition, we have the right to review your books and records from time to time to determine your expenditures for Local or Regional Advertising and Media. If we determine that you have not spent the requisite amounts, we may require you either to spend an amount equal to the deficiency in conformity with an advertising expenditure plan approved by us or to pay such unexpended amounts to the Funds.

X. MARKS.

A. Right to Use the Marks. This Agreement grants you the right to use only the principal "Mr. Gatti's Pizza" Mark designated on the cover page and all related Marks we authorize in accordance with your type of Mr. Gatti's Pizza Facility, this Agreement and our System Standards and specifications. Such right shall extend only during the term of this Agreement.

B. Agreements Regarding the Marks. You expressly acknowledge that:

1. As between us and you, we are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

2. Neither you nor any Owner shall take any action that would prejudice or interfere with our or our Affiliates' rights in and to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

3. Any and all goodwill arising from your use of the Marks shall inure solely and exclusively to the benefit of us or our Affiliates, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.

4. You will not contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.

5. Any unauthorized use of the Marks will constitute an infringement of our rights or our Affiliates' rights in the Marks and a material event of default under this Agreement. You will provide us with all assignments, affidavits, documents, information and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest our rights or our Affiliates' rights in the Marks.

6. We have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying Mr. Gatti's Pizza Facilities if the current Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different marks will be beneficial to the System or the Mr. Gatti's Network. In such event, we may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute marks.

C. Use of the Marks. You further agree that you will:

1. Operate and advertise the Mr. Gatti's Pizza Facility only under the principal "Mr. Gatti's Pizza" Mark for your type of Mr. Gatti's Pizza Facility without prefix or suffix, unless we require or authorize you to operate under a substitute for or variation of such Mark. You shall not use any Mark as part of your corporate or other legal name.

2. Identify yourself as the owner of the Mr. Gatti's Pizza Facility in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and shall display a notice in such content and form and at such conspicuous locations on the premises of the Mr. Gatti's Pizza Facility or on any vehicle used in the operation of the Mr. Gatti's Pizza Facility as we may designate in writing.

3. Not use the Marks to incur any obligation or indebtedness on our behalf.

4. Comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. Infringement. You agree to notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark that you learn of. You and your Owners will not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests or any Affiliate's interest in the Marks.

E. Domain Names. You acknowledge that we are the lawful, rightful and sole owner of the Internet domain names set forth from time to time in the Brand Standards Manuals and you unconditionally disclaim any ownership interest in those or any colorably similar Internet domain name. You agree not to register any Internet domain name in any class or category that contains words used in or similar to any Mark, brand name, logo, tag line, or slogan owned or used by us or our Affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS.

A. Brand Standards Manuals. The Brand Standards Manuals are our confidential information and proprietary property and you agree to return them to us when this Agreement expires or is terminated for any reason. You and your Owners will at all times treat the Brand Standards Manuals, and the information contained therein, as confidential and will maintain such information as secret and confidential in accordance with this Section XI. You and your Owners will not at any time copy, duplicate, record or otherwise reproduce the Brand Standards Manuals, in whole or in part, or otherwise make the same available to any unauthorized person. You will make the Brand Standards Manuals available only to those of your employees who must have access to them in order to operate the Mr. Gatti's Pizza Facility and these employees shall be bound by the obligations contained herein. You will, at all times, keep and maintain the Brand Standards Manuals in a secure place at the Mr. Gatti's Pizza Facility. We have the right to add to or modify the Brand Standards Manuals from time to time to, among other reasons, change operating procedures, maintain the goodwill associated with the Marks, and enable the System to remain competitive. You will comply with the terms of all additions and modifications to the Brand Standards Manuals and will keep the Brand Standards Manuals current. If there is a dispute about the contents of the Brand Standards Manuals, the terms of the master copy at our offices will control. The entire contents of the Brand Standards Manuals, and our mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein. We will charge a replacement fee of Five Hundred Dollars ($500) for any replacement Brand Standards Manuals you request.

B. Confidentiality.

1. We possess and will further develop and acquire certain Confidential Information. We will disclose to you such parts of the Confidential Information as we deem necessary or advisable from time to time for the establishment and operation of the Mr. Gatti's Pizza Facility. You acknowledge and agree that you, your Owners and your employees will not acquire any interest in or right to use the Confidential Information, other than the right to use it in the establishment and operation of the Mr. Gatti's Pizza Facility pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with us and with other developers and franchisees of Mr. Gatti's Pizza Facilities. You agree to disclose the Confidential Information to your

Owners and to your employees only to the extent reasonably necessary for the establishment and operation of the Mr. Gatti's Pizza Facility pursuant to this Agreement. You further acknowledge and agree that the Confidential Information is our proprietary and valuable asset, includes trade secrets owned by us and our Affiliates and is disclosed to you solely on the condition that you, your Owners and employees who have access to the Confidential Information agree, and you and your Owners do agree that, during and after the term of this Agreement, you, your Owners and your employees:

a. will not use the Confidential Information in any other business or capacity;

b. will maintain the absolute confidentiality of the Confidential Information (provided, however, that we will not deem you in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an Owner, provided you have taken reasonable steps to prevent such disclosure, including, but not limited to, the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of such Confidential Information);

c. will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and

d. will adopt and implement all reasonable procedures we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, the execution by your employees of confidentiality agreements in a form approved by us.

2. Notwithstanding anything to the contrary contained in this Agreement, the restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of the Confidential Information in judicial, arbitration or administrative proceedings to the extent that you are legally compelled to disclose such information, provided you have notified us prior to disclosure and have used your best efforts to obtain, and have afforded us the opportunity to obtain, assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

3. The terms of this Section XI.B shall survive the termination, expiration or transfer of this Agreement or any interest therein.

C. Noncompetition Covenants. You and your Owners acknowledge and agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Mr. Gatti's Pizza Facilities if franchisees of Mr. Gatti's Pizza Facilities were permitted to hold interests in or perform services for a Competing Business. You and your Owners also acknowledge that we have granted you a license to operate a Mr. Gatti's Pizza Facility in consideration of and reliance upon your agreement that you and your Owners will deal exclusively with us. You and your Owners therefore agree as follows:

1. During the term of this Agreement, neither you, nor any of your Owners, nor any member of the Immediate Family of you or your Owners, will, directly or indirectly, for yourself or themselves, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

a. Divert, or attempt to divert, any business or customer of any Mr. Gatti's Pizza Facilities operated by us or our affiliates, or by franchisees under valid franchise agreements with us or our affiliates, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the Marks, the goodwill associated with the Marks, or Mr. Gatti's Pizza Facilities.

b. Except with respect to Mr. Gatti's Pizza Facilities operated under valid franchise agreements with us or our affiliates, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, any Competing Business which is located within the United States, its territories, possessions or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

c. Recruit or hire any person who is our employee or who has been our employee within the past six (6) months without obtaining prior written permission from us. If we permit you to hire any person who is our employee, then you agree to pay us as of the date of hire a non-refundable management development fee in an amount equal to thirty percent (30%) of such person's annualized salary (including bonuses).

2. For a continuous uninterrupted period commencing upon the later of (i) the expiration, termination or transfer of this Agreement, or such person's interest in this Agreement and (ii) the date on which you cease to conduct your activities under this Agreement, and continuing for two (2) years thereafter, neither you nor any of your Owners nor any member of the Immediate Family of you or your Owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

a. Divert, or attempt to divert, any business or customer of any Mr. Gatti's Pizza Facilities operated by us or our affiliates, or by franchisees under valid franchise agreements with us or our affiliates, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the Marks, the goodwill associated with the Marks, or Mr. Gatti's Pizza Facilities.

b. Except with respect to Mr. Gatti's Pizza Facilities operated under valid franchise agreements with us or our affiliates, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, a Competing Business which is located or to be located at or within a ten (10) mile radius of the premises of the Mr. Gatti's Pizza Facility which is the subject of this Agreement, or which is located within a ten (10) mile radius of any type of Mr. Gatti's Pizza Facility which is operating or under development on the effective date of termination or expiration of this Agreement.

The restrictions of Sections XI.C.1 and 2 shall not be applicable to the ownership of publicly traded ownership interests that constitute less than three percent (3%) of a class of ownership interests issued and outstanding.

D. Reasonable Restrictions. The parties acknowledge and agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant

that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

E. Reduction of Scope of Covenant. You and your Owners acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI without your or their consent, effective immediately upon notice to you, and you and your Owners agree that you and they shall promptly comply with any covenant as so modified.

F. Enforcement. You and your Owners expressly agree that the existence of any claims you or they may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.

G. Execution of Covenants. You shall require and obtain execution of covenants similar to those set forth in Section XI.C from all Owners not signing the Guaranty of this Agreement, from all Regional Managers, Mr. Gatti's Pizza Facility Managers, and, if requested by us, those of your other employees who have received or will have access to the Confidential Information. Such covenants shall be substantially in the form of the Confidentiality and Non-Compete Agreement set forth as Attachment 2; provided, that we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenant set forth in Attachment 2 or eliminate such noncompetition covenant altogether for any party required to execute such agreement under this Section XI.G. At our request, you will provide us with executed originals of each such Confidentiality and Non-Compete Agreement.

H. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Section XI shall constitute a material breach of this Agreement and that any such breach would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Owners in violation of the terms of this Section. You and your Owners agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section XI, including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to us for any violation of the requirements of this Section XI.

I. New Developments. You agree to disclose to us all ideas, concepts, methods, techniques and products (including, without limitation, new menu items and food products) conceived or developed by you, your Owners, and your employees relating to the development and operation of Mr. Gatti's Pizza Facilities. You and your Owners hereby assign to us any rights you may have or acquire therein, including the right to modify such ideas, concepts, methods, techniques and products, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. In the event such assignment is, for any reason, deemed unenforceable, you and your Owners hereby grant to us and agree to procure from your Owners and employees a perpetual, exclusive and worldwide right to use such ideas, concepts, methods, techniques and products in all food service and/or entertainment businesses operated by us, our Affiliates, developers and franchisees. We will have no obligation to make payments to you or any other person with respect to any such idea, concept, method, technique or product. You and your Owners agree that you will not use or allow any other person to use any such concept, method, technique or product without obtaining our prior written approval.

J. Liquidated Damages. You acknowledge that by violating the provisions of this Section XI you could benefit unfairly from the goodwill, training and Confidential Information provided by us. Therefore, in addition to and not in lieu of all other remedies available to us for your violation or breach of the covenants contained in this Section XI, you hereby agree that upon such violation or breach, we will be entitled to payment of liquidated damages in an amount equal to the greater of (i) Six Hundred Dollars ($600) per day, or (ii) an amount equal to the per diem royalty, Marketing Development Fund and Media Fund contributions payable by you in respect of the Mr. Gatti's Pizza Facility for the one (1) year period

immediately preceding the violation or breach, multiplied by the number of days for which the violation or breach of this Section XI is continuing.

You further acknowledge that if, as a result of your violation of this Section XI, Confidential Information is disclosed to, or you become, a competitor of the System, we will suffer greater damage that may include loss of System representation in the area served by the Mr. Gatti's Pizza Facility, customer confusion and injury to the goodwill associated with the Marks. Accordingly, in such circumstances, you shall pay to us an amount equal to one hundred fifty percent (150%) of the amount of liquidated damages that would otherwise be payable hereunder.

XII. BOOKS AND RECORDS.

A. Maintenance Requirement. You shall maintain during the term of this Agreement, in the form and manner we prescribe from time to time in the Brand Standards Manuals, and shall preserve for at least five (5) years from the date of preparation, full, complete and accurate books, records and accounts of the Mr. Gatti's Pizza Facility, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers.

B. Reporting. In addition to the reports required by Sections III.C.2, V.B, and IX hereof, you agree to furnish to us at your expense via the medium and in the format and form we prescribe from time to time, (which may include computer diskette, electronic mail and/or facsimile transmission) the following reports and financial information:

1. a weekly report of gameroom activity, showing Gross Sales and payout percentages on a per game basis if your type of Mr. Gatti's Pizza Facility is required to have a gameroom or, if after construction and with our approval, you subsequently install games or amusements however minimal or inconsequential in nature;

2. within fifteen (15) days after the end of each month or period, in accordance with your accounting practices, your monthly or per-period unaudited balance sheet and profit and loss statement;

3. within ninety (90) days after the end of each fiscal year, your complete annual unaudited financial statement, including a consolidated balance sheet, profit and loss statement, and statement of cash flows and a detailed profit and loss statement for each Mr. Gatti's Pizza Facility operated by you or your Affiliates, prepared by an independent certified public accountant satisfactory to us and showing the results of your operations during such fiscal year. In the event that an audit of your books conducted pursuant to Section XII.C reveals an understatement of Gross Sales of more than two percent (2%), we may require you to submit annual audited financial statements.

4. within ninety (90) days after the end of each fiscal year, a copy of your Federal income tax return or, if you are an individual, the applicable schedule pertaining to the Mr. Gatti's Pizza Facility.

5. within five (5) days after the end of the state-prescribed filing date, but not less frequently than quarterly, copies of your state sales tax returns. If the Mr. Gatti's Pizza Facility is in a state which does not impose a sales tax, you shall submit a copy of your state income tax return (including any extension requests) not later than five (5) days after filing.

Each statement or report submitted by you must be signed by your Managing Owner attesting that it is true, complete and correct. In addition to the reports listed above and elsewhere in this Agreement,

you also shall submit to us such other forms, reports, records, information and data as we may reasonably designate, in the form and at the times and places reasonably required by us.

C. Approved Accountants. To further promote uniformity and efficiency throughout the system, you agree to use an approved third-party accountant for the first three (3) years of operation of your business. Such accountant must be able to produce financial statements in our then current format. Following your third (3rd) full year of operation, you may change accountants; however, you must provide us with thirty (30) days' advance notice of such change and proof of the new accountant's ability to provide correctly formatted financial statements. You will be required to continue using the same specified format for all financial reporting.

D. Audits. We or our designees shall have the right at all reasonable times to review, audit, examine and copy the books and records of the Mr. Gatti's Pizza Facility (including, without limitation, computer databases) at such location as we designate, and you agree to make such books and records readily available to us. If any required royalty or other required payments to us are delinquent, or if an audit should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with Section V.C. If an audit discloses an understatement in any report of two percent (2%) or more, you shall, in addition, reimburse us for all costs and expenses connected with the audit, including, without limitation, reasonable travel costs, accounting and attorneys' fees. These remedies shall be in addition to any other remedies we may have.

E. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) shall not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you shall immediately correct the error and make the appropriate payment to us.

F. Authorization to Release Information. You hereby authorize (and agree to execute any other documents we determine to be necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, credit bureaus and other persons or entities with whom you do business to disclose to us any financial information in their possession relating to you or the Mr. Gatti's Pizza Facility which we may request, and you understand we may contact such groups and share your financial information with such groups, including credit bureaus. You authorize us to disclose data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

G. Accounting Period. The accounting period for purposes of reporting to us is whatever we may designate from time to time.

XIII. INSURANCE.

A. Insurance Coverage Requirements. You must keep in force at all times insurance required by this Agreement. You must place your insurance with carriers that are highly rated by A.M. Best, Moody's, Standard & Poor's, or Fitch and as otherwise approved by us. You must provide us with certificates of all required insurance. You will be required to name us as an "additional" insured or loss payee, or to otherwise protect our interests under your policies of insurance. The types of coverage must include:

1. Employer's liability with limits of $2,000,000 per occurrence;

2. Workers' compensation insurance per statutory limits;

3. Comprehensive general liability insurance covering product liability and completed operations of the Franchised Business with limits of $1,000,000 per occurrence and $2,000,000 in the aggregate;

4. Automobile liability of not less than $1,000,000 per occurrence, including hired and non-owned automobiles or a higher amount that we may in the future require;

5. Business interruption insurance of not less than twelve (12) months of income for all loss sustained, including loss of rents and royalty fees;

6. Fire and extended coverage insuring the contents of the Premises of not less than replacement value; and

7. For Mr. Gatti's Pizza Facilities that serve beer, wine, or any other liquor, Liquor Liability Insurance (Dram Shop Insurance) with limits of $1,000,000 per occurrence and $2,000,000 in the aggregate.

B. The insurance coverage must start on the earlier of the date you begin operating the Mr. Gatti's Pizza Facility or the date the Approved Location is first identified and must continue through the later of the Expiration Date or the date the Mr. Gatti's Pizza Facility closes.

C. You must annually, or any shorter period of time at our request, deliver to us a certificate of insurance and additional insured and other endorsements showing compliance with this Section.

D. The insurance coverage must provide that we will be given thirty (30) days' prior written notice of material change in or termination or cancellation of the policy.

E. Remedies. If you do not procure and maintain the required insurance coverage, we may procure insurance coverage for you and charge the cost to you, together with a reasonable fee for our expenses in doing so, payable by you immediately upon notice.

XIV. DEBTS AND TAXES.

A. Payment of Taxes and Other Obligations. You shall promptly pay when due all Taxes levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the franchised business. You shall be solely liable for the payment of all Taxes and, without limiting the indemnity provisions of Section XVI, you shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. No Deduction. Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes.

C. Disputed Liability. In the event of any bona fide dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the assets of the franchised business or any improvements thereon.

D. Credit Standing. You recognize that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are

disputed by you in good faith, you agree to promptly pay when due all amounts owed by you to us, our Affiliates, and other suppliers.

E. Notice of Adverse Orders. You agree to notify us in writing within three (3) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

XV. TRANSFER.

A. By Us. We shall have the right to transfer or assign this Agreement and all or any part of our rights or obligations herein to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all our obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring without your consent.

B. By You and Your Owners. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted the rights under this Agreement in reliance on your and your Owners' business skill, financial capacity and personal character. Accordingly, neither you nor any Owner, nor any of your or your Owners' successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Mr. Gatti's Pizza Facility or in you without our prior written consent. Under no circumstances, during or after the term, may you transfer or attempt to transfer the Mr. Gatti's Pizza Facility or all or substantially all of the assets associated with the Mr. Gatti's Pizza Facility to a third-party who will operate a Competing Business or other similar restaurant or food service business but not under the System and the Marks, and not under a franchise agreement with us. Any purported agreement, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach under this Agreement.

1. If you wish to transfer all or part of your interest in the Mr. Gatti's Pizza Facility or this Agreement, or if you or an Owner wishes to transfer any ownership interest in you, the transferor and the proposed transferee must apply to us for our consent. We will not unreasonably withhold our consent to a transfer of any interest in you, in the Mr. Gatti's Pizza Facility or in this Agreement. However, we, in our sole discretion, may set limits from time to time as to the number of Mr. Gatti's Pizza Facilities any franchisee or its affiliates (or prospective transferee and its affiliates) may own and operate at any given time, may prohibit or condition sale leaseback transactions and/or may withhold its consent to the proposed sale of all then franchisee or affiliate-owned Mr. Gatti's Pizza Facilities to a single prospective transferee via one or more transfer transactions. And in all cases, we may require any or all of the following as conditions of our consent:

a. You must be in Good Standing;

b. You, your Owners, the transferor and its owners, as applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims or any acts or omissions thereunder, whether known or unknown, against us and our Affiliates, our respective officers, directors, owners, employees agents, representatives, and independent contractors, past and present, in their corporate and individual capacities, including, without limitation, claims or any acts or omissions thereunder, whether known or unknown, arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

c. The transferee shall demonstrate to our satisfaction that it meets our then-current qualifications, including, but not limited to, our educational, managerial and business standards; standards relating to the transferee's character, business reputation and credit rating; the transferee's aptitude and ability to conduct the business contemplated by this Agreement; and the transferee's financial resources and capital available for the operation of the business, and, at the transferee's expense, its Managing Owner, Regional Manager, and any other personnel required by us shall complete any training programs then in effect for Mr. Gatti's Pizza Facilities upon such terms and conditions as we may reasonably require;

d. The transferee shall, at its expense and within the time period reasonably required by us, renovate, modernize and otherwise upgrade the Mr. Gatti's Pizza Facility to conform to the then-current System Standards and image;

e. The transferee shall enter into a written agreement, in a form satisfactory to us, assuming full, unconditional, joint and several, liability for, and agreeing to perform from the date of the transfer, all of your obligations, covenants and agreements under this Agreement. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's owners whom we designate also shall execute such agreement and guarantee the performance thereof;

f. The transferee shall execute our then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's owners whom we designate (in all cases, anyone directly or indirectly holding ten percent (10%) or more of an ownership interest in the transferee) also shall execute such agreement and guarantee the performance thereof;

g. The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments we reasonably request to evidence such liability;

h. The transferor shall pay us a transfer fee in the amount applicable to your type of Mr. Gatti's Pizza Facility as set forth in Exhibit A to this Agreement, provided, that in the event of a transfer for convenience of ownership pursuant to Section XV.C, or among existing Owners, or to one or more members of your or your Owners' Immediate Families, the transfer fee shall be an amount equal to $5,000 plus our reasonable out-of-pocket costs and expenses (including, without limitation, legal and accounting fees, training, and other associated costs), and further provided that no transfer fee shall be due in the event the transfer is pursuant to our right of first refusal, as described in Section XV.D herein;

i. If the transferee is a corporation, partnership, limited liability company or other entity, the transferee shall make all of the representations, warranties and covenants in Section VII as we may request, and shall provide evidence satisfactory to us that such representations, warranties and covenants are true and correct as of the date of the transfer.

2. If the transfer relates to the grant of a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of yours.

3. You acknowledge and agree that each condition which must be met upon a proposed transfer is reasonable and necessary to protect our legitimate business interests and to assure such transferee's performance of the obligations hereunder.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation, limited liability company or other entity formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements in Section XV.B, except that Sections XV.B(c), (d), (e), and (g) shall not apply. You must own of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual must have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.

D. Right of First Refusal. If you or an Owner wish to transfer any interest in this Agreement, the Mr. Gatti's Pizza Facility, or you pursuant to any bona fide offer to purchase such interest, then the proposed seller must promptly notify us in writing of the offer, and must provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation describing the terms of the offer which we may reasonably require in order to evaluate the offer, to send written notice to the seller that we intend to purchase the seller's interest on the terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of our notice to the seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third-party offer provides for payment of consideration other than cash, we may elect to purchase the seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we will have the right to set off against the purchase price we owe you all appraisal fees and other amounts that you owe to us or any of our Affiliates. A material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Our failure to exercise the option afforded by this Section XV.D will not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XV.B. Failure to comply with this Section XV.D will constitute a material event of default under this Agreement. Our right of first refusal shall not apply to transfers of ownership interests in you among existing Owners listed on Exhibit B, or to transfers of interests in you to your managerial employees, or to members of your or your Owners' Immediate Families, provided that no such transfer or series of related transfers effects the transfer of a Controlling Interest in you.

E. Death or Permanent Disability. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XV.B for any inter vivos transfer, and you or your representative shall promptly notify us of any death or claim of permanent disability subject to this Section XV.E.

1. Upon your death (if you are a natural person) or the death of any Owner who is a natural person (the **"Deceased")**, the executor, administrator or other personal representative of the Deceased shall transfer the Deceased's interest in this Agreement or in you to a third party approved by us in accordance with the conditions described in this Section XV within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us in accordance with the conditions described in this Section XV within six (6) months after the death of the Deceased.

2. Upon your permanent disability (if you are a natural person) or the permanent disability of any Owner who is a natural person, we may, in our sole discretion, require you to transfer your

interest in this Agreement or your Owner to transfer its interest in you, as applicable, to a third party approved by us in accordance with the conditions described in this Section XV within six (6) months after the determination of permanent disability is made. **"Permanent disability"** shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the Guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section XV.E. The costs of any examination required by this Section shall be paid by us.

F. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which shall not be unreasonably withheld. Absent express written consent from us and compliance with any then-current policies set forth in the Brand Standards Manuals, which may be withheld in our sole discretion, you may not pursue a securities offering for purposes of raising funds to purchase one or more third party owned franchised Mr. Gatti's Pizza Facilities as part of an overarching plan to rollup Mr. Gatti's Pizza Facilities under a single public or private franchisee. As a condition of our consent, we may, in our sole discretion, require that, immediately after such offering, you and the Owners retain a Controlling Interest in you. You shall give us written notice at least thirty (30) days prior to the commencement of any offering covered by this Section XV.F. All offering materials shall be submitted to us for review prior to being filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between us. No offering shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning our relationship. You, your Owners and the other participants in the offering must fully indemnify us, our Affiliates, their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you shall pay to us a non-refundable fee of Five Thousand Dollars ($5,000) and shall reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees) associated with reviewing the offering materials.

G. No Waiver. Our consent to the transfer of any interest described in this Section XV shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand transferee's exact compliance with any of the terms of this Agreement.

VI. INDEMNIFICATION.

A. Indemnity. You shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our Affiliates, our and their successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of us and each of them (**"Indemnitees"**), from any and all claims and liabilities directly or indirectly arising out of the establishment or operation of the Mr. Gatti's Pizza Facility or your breach of this Agreement, including, without limitation, claims for (i) Taxes, (ii) the deductibles permitted under Article XIII. of this Agreement, (iii) any past due rent or other amounts owed by you and paid by us in connection with the exercise of our post-termination rights under Article XIX., (iv) the infringement, alleged infringement, violation, or alleged violation by you or any of your Owners of any proprietary right of a third party, unless such violation or infringement relates to the use of the Marks or other proprietary information as to which a license has been granted hereunder and such use has been in accordance with this Agreement, (v) the violation, breach or asserted violation or breach by you or any of your Owners of any federal, state or local law, regulation, ruling, standard or directive or any industry standard, (vi) the libel, slander or any other form of defamation of us, the Mr. Gatti's Pizza Facility, the System or any franchisee or developer operating under the System, by you or by any of your Owners and (vii) any actual or alleged claim that we and you are joint employers

of any of your employees or personnel. For purposes of this indemnification, **"claims"** includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the investigation, settlement or defense of any claim against any of the Indemnitees, including, without limitation, accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses.

You shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties arising in connection therewith; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence or willful acts of Indemnitees, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you.

B. Defense of Claim. You agree to give us prompt written notice of any claim as to which Indemnitees are entitled to indemnification hereunder. At your expense and risk, you shall, through counsel satisfactory to us, take charge of the disposition of the matter, including the conduct or settlement of litigation, except that no settlement or compromise shall be made without our prior written consent and provided, that if you do not take charge of the disposition of the matter through counsel satisfactory to us, we may, at your expense, take charge of the disposition of the matter, and further provided, that we have and at all times retain the right to defend any claim made against us or any Indemnitee at your expense.

C. Survival. The terms of this Section XVI shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XVII. RELATIONSHIP OF THE PARTIES.

A. Independent Contractor Relationship. You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you shall hold yourself out to the public as an independent contractor operating your Mr. Gatti's Pizza Facility pursuant to the rights granted by us. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees, and you have no relationship with our employees. You agree to identify yourself conspicuously in all dealings with customers, employees, suppliers, public officials, and others as the independent owner of your Mr. Gatti's Pizza Facility under a franchise we have granted and to place notices of such independent ownership on the forms, business cards, stationary, employment materials, advertising, and other materials that you use in your business dealings and that we require from time to time. You also agree to communicate clearly with your employees in employment agreements, manuals, handbooks, and other materials, that you, and not we or our Affiliates, are the sole employer of the Mr. Gatti's Pizza Facility employees.

B. No Authority. Nothing in this Agreement authorizes you or any of the Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Owners or any claim or judgment arising therefrom.

XVIII. TERMINATION.

A. Default and Termination. You acknowledge that each of your obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable.

B. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against the Mr. Gatti's Pizza Facility premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Mr. Gatti's Pizza Facility shall be sold after levy thereupon by any sheriff, marshal or constable.

C. Termination on Notice; No Cure. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:

1. If you fail to obtain our approval of a proposed site or fail to acquire an Approved Location for the Mr. Gatti's Pizza Facility within the time and manner specified in this Agreement.

2. If you fail to construct the Mr. Gatti's Pizza Facility in accordance with our prototypical plans, as adapted in accordance with Section III.

3. If you fail to open the Mr. Gatti's Pizza Facility for business within the period specified in Section III.D of this Agreement.

4. If you operate the Mr. Gatti's Pizza Facility, or sell any products or services authorized by us for sale at the Mr. Gatti's Pizza Facility, at a location which we have not approved.

5. If you cease to operate or otherwise abandon operation of the Mr. Gatti's Pizza Facility, or lose the right to possess the premises, or otherwise forfeit the right to do or transact business in the jurisdiction, where the Mr. Gatti's Pizza Facility is located.

6. If you or any of your Owners are alleged to have committed, are indicted for, convicted of, or have entered a plea of no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the operation of your Mr. Gatti's Pizza Facility, the System, the Mr. Gatti's Network, the Marks, the goodwill associated therewith, or our interests therein.

7. If a threat or danger to public health or safety results from the construction or operation of the Mr. Gatti's Pizza Facility, including specifically if the Mr. Gatti's Pizza Facility receives

a "High Risk" or equivalent score on a single Mr. Gatti's Pizza Facility inspection whether performed by us or our designated vendor, and all of the underlying deficiencies for which the "High Risk" or equivalent score are not fully cured to our satisfaction as set forth in the applicable Corrective Action Plan within thirty (30) days of receipt of written notice of the deficiency.

8. If you or any of your Owners purport to sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any rights or obligations under this Agreement or any direct or indirect interest in you or in the Mr. Gatti's Pizza Facility (including all or substantially all of the assets used in connection with the Mr. Gatti's Pizza Facility) to any third party in violation of Section XV, or if a transfer upon death or permanent disability is not made in accordance with Section XV.E.

9. If you or any of your Owners disclose or divulge any Confidential Information in violation of Section XI.B.

10. If you knowingly maintain false books or records or submit any false reports to us.

11. If you breach in any material respect any of the covenants or have falsely made any of the representations or warranties, set forth in Section VII.

12. If you fail to comply with our quality assurance program and fail to cure any default thereunder within the applicable cure period provided for therein.

13. If you, any guarantor, any Owner or any of your Affiliates are in default of any other franchise agreement or other agreement with us or our Affiliates and fail to cure such default within the applicable cure period, if any.

14. If you or any of your Owners fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other data, information or supporting records, to pay when due amounts owed to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you.

15. If this Agreement was executed pursuant to a Development Agreement and the Development Agreement is terminated prior to the completion of the Development Schedule, as defined therein.

16. If any guarantor(s) or any Owner(s) under this Agreement files a bankruptcy petition or has a bankruptcy petition filed against them and such petition is consented to by guarantor(s) or any Owner(s) or not dismissed within ninety (90) days.

17. If two (2) or more events of the same or similar default, or any three (3) events of default, occur during any twelve (12) month period, regardless if same are cured.

18. If you attempt to develop or actually open and operate a different type of Mr. Gatti's Pizza Facility than what you are authorized to develop and open as reflected in the Cover Page and Exhibit A to this Agreement.

19. If you fail to satisfy any conditions precedent to the effectiveness of this Agreement.

20. If we receive credible evidence, which we verify to our reasonable satisfaction, that you, any guarantor(s) or any Owner(s) under this Agreement has sexually harassed or intimidated any

individual; has intentionally engaged in racial, ethnic, religious, sexual or other offensive discrimination against any individual or group; has knowingly engaged in any other activity or business practice that we reasonably consider detrimental to our reputation or the public image or the reputation or public image of the Mr. Gatti's Network; has acted in a manner that conflicts with our business philosophy and culture or with our franchisees' best interests regardless of whether you, any guarantor(s) or any Owner(s) under this Agreement benefitted; or has knowingly engaged in conduct that is grossly unethical in relation to the culture and business values on which the Mr. Gatti's Network is founded, whether or not the behavior or conduct constitutes a violation of federal, state or local law.

D. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVIII.B and XVIII.C of this Agreement, upon any default by you which is capable of being cured, we may terminate this Agreement by giving you written notice of termination stating the nature of the default and the time period within which the default must be cured. You may avoid termination by immediately initiating a remedy to cure such default and curing it to our satisfaction within the time period set forth below or any longer period that applicable law may require, or we may permit in writing (**"cure period"**). If any such default is not cured within the cure period, this Agreement will terminate without further notice to you effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

1. If you fail to procure and maintain the insurance policies required by Section XIII and fail to cure such default within five (5) days following notice from us.

2. If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within twenty-four (24) hours following notice from us.

3. If you or any of your Affiliates fail, refuse, or neglect to promptly pay any monies owed to us or any of our Affiliates, or any monies validly due and owing by you to any of your suppliers or vendors, when due under this Agreement or any other agreement, or fail to submit the financial or other information required by us under this Agreement, and do not cure such default within ten (10) days following notice from us.

4. If you or any of your Owners fail to comply with the restrictions against competition set forth in Section XI.C of this Agreement and fail to cure such default within ten (10) days following notice from us.

5. If you fail to comply with System Standards and fail to cure within ten (10) days (or such other period of time as may be expressly specified in this Agreement) following notice from us.

6. If you fail to comply with any other requirement imposed by this Agreement or fail to carry out the terms of this Agreement in good faith and fail to cure such default within ten (10) days following notice from us.

7. If your type of Mr. Gatti's Pizza Facility offers delivery services, and you fail to adequately service your Designated Delivery Area, as determined by us, in our sole discretion, and fail to cure such default within ten (10) days following written notice from us; provided, that in lieu of terminating this Agreement, we may modify the size of your Designated Delivery Area or your rights therein.

8. If you fail two or more Steritech (or equivalent) cleanliness assessments and/or consistently fall below a 4.0 rating on Google Reviews (or any similar common rating service) and fail to cure such default within sixty (60) days following notice from us.

E. Liquidated Damages. You have agreed to operate the Mr. Gatti's Pizza Facility in compliance with this Agreement for the full Term of this Agreement. If you should (i) fail to operate your Mr. Gatti's Pizza Facility for the full Term, (ii) continue to use the Marks or elements of the System in your Mr. Gatti's Pizza Facility after expiration of the Term, and/or (iii) violate your covenant not to compete, you acknowledge that we would be damaged in several ways, including but not limited to, loss of Royalty and marketing fees used to market the System. You acknowledge that it is difficult to estimate the revenues of the Mr. Gatti's Pizza Facility over a period of years and that elements of our damages are inherently difficult to calculate although such damages are real and meaningful to us and to the System. Because our damages in the event of termination could not be easily ascertained, would be difficult to estimate accurately, and the proof thereof would be burdensome and costly, we and you agree that liquidated damages (as calculated below) are not a penalty and represent a reasonable estimate of just and fair compensation to us of the damages that we would suffer.

Accordingly, in the event of such termination as described herein, we shall be entitled to recover from you, and you shall be obligated to promptly pay to us, all payments which have then accrued to us or our Affiliates pursuant to other provisions of this Agreement up to the date of such termination, and liquidated damages ("**Liquidated Damages**") as follows:

(a) if you unilaterally abandon the Franchise prior to the natural expiration of the Term or we terminate this Agreement for cause in accordance with the terms of this Agreement, then in addition to any other remedies available to us at law or in equity, you shall promptly pay to us Liquidated Damages in an amount equal to the sum of (i) the average aggregated Primary Fees paid or owed to us during the 12 months of operation (or total months of operation if less than 12) preceding the effective date of termination multiplied by the lesser of (a) 24, or (b) the total number of months remaining in the Term of this Agreement had it not been terminated.

(b) if after (1) the expiration of the Franchise, or (2) the termination of the Franchise by us in accordance with this Agreement, you continue to use any of the Marks or elements of the System in connection with the continued operations of your Mr. Gatti's Pizza Facility, or otherwise, then in addition to any other remedies available to us at law or in equity, we will be entitled to collect from you continuing Primary Fees for such use of the Marks and/or the System equal to 200% of the brand standard Primary Fees in effect at the time of expiration or termination that you would otherwise have been obligated to pay under this Agreement with respect to the operations of the Facility.

(c) if you directly or indirectly open or participate in the ownership or operation of a business in violation of the covenant not to compete expressed in this Agreement, then in addition to any other remedies available to us at law or in equity, we will be entitled to receive throughout the term of the covenant a monthly fee equal to 15% of the competing businesses' revenues measured in accordance with the same parameters that Primary Fees are measured under this Agreement.

(d) Any demand for payment of Liquidated Damages under this Agreement does not constitute an election of remedies, will have no impact on our ability to obtain injunctive relief to protect our Marks and System or to enforce the covenants regarding confidentiality and noncompetition in this Agreement, and any payments received will be in addition to and not in lieu of any other remedies available to us at law or in equity.

(e) You acknowledge and understand that Mr. Gatti's Pizza Facilities in the System may vary in size; however, for the purposes of System sales and Liquidated Damages calculations, all Mr. Gatti's Pizza Facilities are classified as Mr. Gatti's Pizza Facilities irrespective of the actual size of the Mr. Gatti's Pizza Facilities.

(f) In addition to such Liquidated Damages, we shall have the right to recover reasonable attorneys' fees and court costs incurred in collecting such sums plus interest on all amounts due pursuant to this Section XVIII.E (at the rate specified in Section V.C.1) from the date of such termination until paid. Your obligation to pay us Liquidated Damages, if applicable, and other sums pursuant to this Section XVIII shall survive termination of this Agreement.

XIX. POST-TERMINATION.

A. Your Obligations Upon Termination. Upon termination or expiration of this Agreement, all rights granted hereunder to you will terminate, and you must:

1. Immediately cease to operate the Mr. Gatti's Pizza Facility under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as our present or former franchisee.

2. Immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, methods, procedures, and techniques associated with the System and the Marks. Without limitation of the foregoing, you must cease to use all signs, Social Media postings, advertising materials, displays, stationery, forms and any other items which display the Marks.

3. Take such action as may be necessary to cancel any assumed name or equivalent registration which contains the any of the Marks and furnish us with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

4. Not use any reproduction, counterfeit, copy or colorable imitation of the Mark in connection with any other business, which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, nor shall you use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

5. Promptly pay all sums owing to us and our Affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you (including, without limitation, any such expenses incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Section XIX). Such obligation shall give rise to and remain, until paid in full, a lien in favor of us against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by you and on the premises operated under this Agreement.

6. Immediately deliver to us all Brand Standards Manuals, records, files, computer files, instructions, correspondence, Software Programs, and other materials related to the operation of the Mr. Gatti's Pizza Facility in your possession or control, and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

7. Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Section XI of this Agreement and cause any other person required to execute similar covenants also to comply with such covenants. Those of your Owners required to execute the Confidentiality and Non-Compete Agreement attached as Attachment 2 shall comply with the covenants set forth therein, whether or not such person has signed this Agreement or a Confidentiality and Non-Compete Agreement.

8. Promptly furnish to us an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Mr. Gatti's Pizza Facility or at any other location under your control. We will have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost. Materials not purchased by us cannot be used by you or any other party for any purpose unless authorized in writing by us.

9. If this Agreement was executed pursuant to a Development Agreement and this Agreement is terminated pursuant to Section XVIII.C.15 hereof, comply with the provisions of Section IX.F.3 of the Development Agreement concerning our option to purchase.

10. Immediately discontinue and refrain from using any and all Social Media listings or postings and all telephone and facsimile numbers of the Mr. Gatti's Pizza Facility, assign to us all rights to such postings, numbers and any related business listings and execute all forms and documents required by us and any telephone or other company at any time to transfer such service and numbers to us. You agree thereafter to use different telephone numbers at or in connection with any subsequent business conducted by you.

11. Make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Mr. Gatti's Pizza Facility from that of other Mr. Gatti's Pizza Facilities (including, but not limited to, altering the colors, signage, and signature entrance of the Mr. Gatti's Pizza Facility) and, if you fail or refuse to do so, we shall have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at your expense. The preceding obligations shall not apply if we elect to exercise our option under Section XIX.B.1 to acquire the lease or sublease for the Mr. Gatti's Pizza Facility.

12. Refrain from transferring or attempting to transfer the former Mr. Gatti's Pizza Facility or all or substantially all of the assets associated with the Mr. Gatti's Pizza Facility to a third-party who will operate a Competing Business or other similar restaurant or food service business at the site that is not operated under the System and the Marks, and not under a franchise agreement with us.

B. Our Options. Upon the expiration or termination of this Agreement (except for a termination pursuant to Section XVIII.C.15), we shall have the following options, to be exercised within thirty (30) days after termination or expiration of this Agreement:

1. To acquire from you, and you agree to assign to us, any interest which you have in any lease or sublease for the premises of the Mr. Gatti's Pizza Facility or for any equipment used in the operation of the Mr. Gatti's Pizza Facility. You hereby appoint us your true and lawful agent and attorney-in-fact (which power of attorney shall survive the expiration or termination of this Agreement) with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of your interest in any such lease or sublease upon the exercise of our option described herein.

2. To purchase from you any or all of the furnishings, equipment, signs, fixtures, supplies, materials and other assets related to the operation of the Mr. Gatti's Pizza Facility, at the lesser of cost or fair market value. If you own the land upon which the Mr. Gatti's Pizza Facility is located, we shall have the further option to purchase the land, including any building on the land used for the operation of the Mr. Gatti's Pizza Facility, for the fair market value of the land and building. If you do not own the land, we may nevertheless exercise this option for the purpose of purchasing any building owned by you and used in the operation of the Mr. Gatti's Pizza Facility.

a. We shall purchase assets only and shall assume no liabilities, unless otherwise agreed in writing by the parties. If you and we cannot agree on the fair market value of the assets within thirty (30) days of our exercise of our option, then either you or we may require, by delivery of written notice to the other, the appointment of appraisers to determine the fair market

value of the assets. Within thirty (30) days after the delivery of such notice, you and we shall each appoint an appraiser. Those two (2) appraisers shall, within thirty (30) days of the appointment of the last appraiser, jointly make the required appraisal of the assets. In the event that (i) the two (2) appraisers cannot agree upon the fair market value of the assets, and (ii) the higher of the two (2) appraisals differs from the lower of the two (2) appraisals by ten percent (10%) or less, then the parties shall accept the average of the two appraisals as the purchase price. In the event (i) the two (2) appraisers cannot agree upon the fair market value of the assets, and (ii) the higher of the two (2) appraisals differs from the lower of the two (2) appraisals by more than ten percent (10%), then the two (2) appraisers shall appoint a third appraiser within fifteen (15) days after the occurrence of either of the aforementioned events. Within thirty (30) days of the appointment of the third appraiser, the three (3) appraisers shall collectively make the required appraisal of the assets, and if they cannot agree, the average of the two (2) closest appraisals shall be accepted by the parties as the purchase price. If only one (1) of the parties shall have appointed an appraiser within thirty (30) days after a party's written notice requiring the appointment of appraisers, then the appraiser appointed by that party shall have the power to proceed as the sole appraiser to determine the fair market value of the assets for the purposes of our purchase option. Each appraiser appointed hereunder shall have at least five (5) years' experience in appraising assets similar to those which are the subject of this purchase option. In the event of an appraisal, each party shall bear its own legal and other costs and shall divide the appraisal fees equally.

b. Closing shall take place at our corporate offices or at such other location as the parties may agree not later than thirty (30) days after the purchase price is determined, unless you and we mutually agree to designate another date. At closing, you shall deliver to us title to the assets, free and clear of all liens and encumbrances and, in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and other documents and instruments as we deem necessary in order to perfect our title and possession in and to the assets being purchased and to meet the requirements of all tax and other governmental authorities. We will be entitled to all customary warranties and representations in connection with the assignments and purchases contemplated hereby, including, without limitation, representations and warranties as to the ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. If, at the time of closing, you have not obtained all necessary documents, instruments, or third-party consents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

c. The purchase price shall be paid in cash; provided, that we shall have the right to set off from the purchase price (i) all fees due from you for any appraisal conducted hereunder, (ii) all amounts due from you to us or any of our Affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees).

3. We will be entitled to assign any and all of our options in this Section XIX to any other party, without your consent.

XX. MISCELLANEOUS.

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by email to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us: Mr. Gatti's Operating, LLC
P.O. Box 470726
Fort Worth, Texas 76147
Attention: President
E-mail: jim.phillips@gattispizza.com
kc.mann@gattispizza.com
legal@gattispizza.com

Notices to you and your Owners: _____
_____
_____
_____
Attention: _____
Facsimile: _____
E-mail: _____

Except when actual receipt of notice is expressly required by the terms of this Agreement, any notice shall be deemed to have been given (i) at the time of personal delivery, or (ii) in the case of email, upon transmission (absent an electronically generated email failure notice), or (iii) in the case of expedited delivery service on the next Business Day, or (iv) in the case of registered or certified mail, the earlier of three (3) Business Days after the date and time of mailing or first refusal of delivery.

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments and Exhibits hereto, constitute the entire, full and complete agreement between us and you and your Owners concerning the subject matter hereof and shall supersede all prior related agreements, except that nothing in this Agreement or any other agreement between us and you is intended to disclaim any representations that we made in the Franchise Disclosure Document that we furnished to you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on the part of us to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

D. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Section XVI. Except as provided in the immediately preceding sentence and except for any amounts payable pursuant to the business interruption

insurance required under Article XIII. of this Agreement, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. **MEDIATION. EXCEPT FOR ACTIONS WHICH WE MAY BRING IN ANY COURT OF COMPETENT JURISDICTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (iii) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS OR THE CONFIDENTIAL INFORMATION, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, OR (d) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES, AS AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE DISTRICT COURT OF TARRANT COUNTY, TEXAS. MEDIATION SHALL BE HELD AT OUR PRINCIPAL PLACE OF BUSINESS IN FORT WORTH, TEXAS. IN ALL CASES, YOU MUST ENSURE THAT ALL OF YOUR DECISION MAKERS, INCLUDING EACH OWNER WHO HAS SIGNED THE OWNERS' GUARANTY AND ASSUMPTION AGREEMENT, ARE CONTINUALLY PRESENT AND FULLY PARTICIPATE IN THE MEDIATION. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY, EXCEPT THAT IF MEDIATION IS SCHEDULED AND YOU FAIL TO ENSURE YOUR DECISION MAKERS ARE PRESENT FOR THE MEDIATION YOU WILL BE SOLELY RESPONSIBLE FOR ALL OF THE COMPENSATION AND EXPENSES OF THE MEDIATIOR AS WELL AS OUR COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) TO PREPARE FOR AND APPEAR AT THE MEDIATION. IF YOU FAIL TO TIMELY RESPOND TO A MEDIATION DEMAND FROM US OR IF YOU EITHER FAIL TO APPEAR FOR A SCHEDULED MEDIATION OR YOU FAIL TO ENSURE YOUR DECISION MAKERS ARE PRESENT FOR A SCHEDULED MEDIATION, OR IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION XX.G.**

G. **JURISDICTION AND VENUE. FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, YOU AND YOUR OWNERS HEREBY IRREVOCABLY SUBMIT YOURSELVES TO THE JURISDICTION OF THE DISTRICT COURT OF TARRANT COUNTY, TEXAS AND THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, FORT WORTH DIVISION. YOU AND YOUR OWNERS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU AND ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE**

RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU AND YOUR OWNERS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE TARRANT COUNTY, TEXAS OR THE NORTHERN DISTRICT OF TEXAS, FORT WORTH DIVISION; PROVIDED, THAT WE MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

H. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW (EXCEPT FOR TEXAS CONFLICT OF LAW RULES).**

I. **WAIVER OF JURY TRIAL; AGREEMENT REGARDING CLASS ACTION. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US. YOU FURTHER AGREE THAT ANY ACTIONS RELATED TO CLAIMS, CONTROVERSIES OR DISPUTES SHALL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A COMMON, CONSOLIDATED OR CLASS ACTION.**

J. **LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY US WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY YOU OR YOUR OWNERS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) YOUR OBLIGATIONS TO PROTECT OUR CONFIDENTIAL INFORMATION, OR (iii) YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION XVI, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.**

K. **MUTUAL ACKNOWLEDGMENTS. THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN FORT WORTH, TEXAS AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF YOU ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN OF OUR TRAINING REQUIREMENTS, SHALL OCCUR IN FORT WORTH, TEXAS.**

L. **DAMAGES WAIVER. YOU AND YOUR OWNERS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OR ANY PUNITIVE OR EXEMPLARY DAMAGES AND AGREE THAT IN THE EVENT OF A DISPUTE, YOU AND YOUR OWNERS SHALL BE LIMITED TO EQUITABLE RELIEF AND THE RECOVERY OF ANY ACTUAL DAMAGES YOU OR THEY SUSTAIN.**

M. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

N. Electronic Signatures. Any signature hereto or to any other agreement or document related to this transaction through electronic means shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law.

O. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

P. Survival. Any of your or the Owners' obligations that contemplate performance of such obligations after termination or expiration of this Agreement or the transfer of any of your interest or the Owners' interest therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XX.F, G and H are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

Q. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

R. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Owners under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by you and all of the Owners.

S. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of your rights pursuant to Section XVIII of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, you and the Owners shall pay all court costs and reasonable attorneys' fees incurred by us in obtaining any remedy available to us for any violation of this Agreement.

T. Costs and Attorneys' Fees. If we incur expenses in connection with your failure to pay when due any amounts owed to us, to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for the costs and expenses we incur, including, without limitation, accounting, attorneys' and related fees.

U. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section XV), any rights or remedies under or as a result of this Agreement.

V. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement, which can include execution and delivery of any document in the form we require discussing the matters in this Agreement.

W. Business Judgment Rule. Whenever we reserve or are deemed to have reserved discretion in a particular area or where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment (as defined below) in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System (or one or more components of it) generally even if the decision or action also promotes a financial or other individual interest of us. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System (or one or more components of it). Neither you nor any third party (including, without limitation, a trier of fact) will substitute its judgment for our Reasonable Business Judgment.

X. Disclosure Acknowledgment. You acknowledge and agree that you received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" at least fourteen (14) days prior to execution as required by such Trade Regulation Rule.

Y. Required NASAA Statement. ***The following only applies in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*:** 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.

Z. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

MR. GATTI'S OPERATING, LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Effective Date: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date Signed: _____

ATTACHMENT 1

TO FRANCHISE AGREEMENT DATED _____, 20____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____
("FRANCHISEE")

OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this ____ day of _____, 20____, by the undersigned.

In consideration of, and as an inducement to, the execution of the Franchise Agreement (the "Agreement") by Mr. Gatti's Operating, LLC ("we", "us" or "our"), each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally guarantees to us and our successors and assigns, that Franchisee will punctually pay its obligations for initial franchise fees, royalties, marketing and promotion fund contributions and purchases of equipment, games, materials, supplies and other amounts due under the Agreement and related to the Mr. Gatti's Pizza Facility.

Each Guarantor waives:

(i) acceptance and notice of acceptance by us of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(b) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(c) such liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and

(d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or

release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to us under the Agreement; and

(e) Franchisee's written acknowledgment, accepted in writing by us, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections XI, XV, XVI, XVIII.E, XIX; and XX.F, G, H, I, J, K, and L. Additionally, the individual designated as the Managing Owner makes all of the covenants, representations and agreements of Managing Owner set forth in the Franchise Agreement.

If we are required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, we will be entitled to reimbursement of our costs and expenses, including, but not limited to, legal and accounting fees, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse us for any of the above-listed costs and expenses incurred by us.

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

OWNERS

_____

*Name: _____

_____

Name: _____

_____

Name: _____

_____

Name: _____

* Denotes individual who is Franchisee's Managing Owner

ATTACHMENT 2

TO FRANCHISE AGREEMENT DATED _____, 20____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____
("FRANCHISEE")

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20____, between Mr. Gatti's Operating, LLC, a Delaware limited liability company ("we," "us" or "our"), _____ ("Franchisee") and _____ ("Covenantor") in connection with a franchise agreement between us and Franchisee dated _____, 20____ ("Franchise Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Franchise Agreement.

RECITALS

Pursuant to the terms of the Franchise Agreement we have granted to Franchisee the right to establish and operate the type of Mr. Gatti's Pizza Facility set forth on the Cover Page and Exhibit A of the Franchise Agreement, under the System.

Covenantor is either an Owner of Franchisee, a member of the Immediate Family of an Owner of Franchisee, or an officer, director, or employee of Franchisee who may have access to the Confidential Information in connection with the establishment and operation of the Mr. Gatti's Pizza Facility.

As a condition precedent to allowing Covenantor to have access to the Confidential Information, and as a material term of the Franchise Agreement necessary to protect the System and our proprietary rights in and right to use the Confidential Information, we and Franchisee require that Covenantor enter into this Agreement.

To induce us to enter into the Franchise Agreement and/or to avoid a material breach thereof, as the case may be, we, Franchisee and Covenantor, desire and deem it to be in Covenantor's best interests, that Covenantor enter into this Agreement.

Due to the nature of our business, any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause us and Franchisee substantial harm.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the establishment and operation of the Mr. Gatti's Pizza Facility under the Franchise Agreement.

2. Covenantor shall not at any time make unauthorized copies of any documents or compilations containing some or all of the Confidential Information without our express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the establishment or operation of the Mr. Gatti's Pizza Facility.

4. Covenantor shall surrender any material containing the Confidential Information to Franchisee or us, at any time upon request, or immediately upon termination of his or her employment by or association with Franchisee.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System, the Marks or the Mr. Gatti's Network.

6. Covenantor acknowledges that we have provided Franchisee with access to all Brand Standards Manuals for limited purposes only and that the Brand Standards Manuals remain our property. Covenantor agrees that no Brand Standards Manuals may be reproduced, in whole or in part, without our written consent.

[**Covenants Not to Compete**[1]

In order to protect the goodwill of the System, the Marks and the Mr. Gatti's Network, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Franchisee, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's or Covenantor's interest in the Franchise Agreement, Covenantor will not, without our prior written consent:

a. Divert, or attempt to divert, any business or customer of any Mr. Gatti's Pizza Facilities operated by us or our affiliates, or by franchisees under valid franchise agreements with us or our affiliates, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the Marks, the goodwill associated with the Marks, or Mr. Gatti's Pizza Facilities; and

b. Directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any Competing Business which is, or is intended to be, located at or within a ten (10) mile radius of the premises of the Mr. Gatti's Pizza Facility which is the subject of the Franchise Agreement, or which is located within a ten (10) mile radius of any type of Mr. Gatti's Pizza Facility which is operating or under development on the effective date of termination or expiration of the Franchise Agreement.]

[**Owner's Undertaking**[1]

Covenantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in Sections XV; XI.C, D, E, F, H, I; and XX.F, G, H, I, J, K, and L of the Franchise Agreement and is obligated to perform thereunder.]

[1] If Covenantor is an Owner not signing the Owners' Guaranty and Assumption Agreement, delete the Covenants Not to Compete section and replace it with the Owner's Undertaking section.

Miscellaneous

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill associated with the Marks or our other business interests.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, Covenantor shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, we and Franchisee would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, we and Franchisee shall be entitled, in addition to any other remedies which we and Franchisee may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by us and Franchisee in enforcing this Agreement.

4. Any failure by us or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE DISTRICT COURT OF TARRANT COUNTY, TEXAS AND THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, FORT WORTH DIVISION. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM OR HER IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE TARRANT COUNTY, TEXAS OR THE NORTHERN DISTRICT OF TEXAS, FORT WORTH DIVISION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, WE OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by email to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties:

If directed to us, the notice shall be addressed to:

Mr. Gatti's Operating, LLC
P.O. Box 470726
Fort Worth, Texas 76147
Attention: President
E-mail: jim.phillips@gattispizza.com
kc.mann@gattispizza.com
legal@gattispizza.com

If directed to Franchisee, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Facsimile:_____
E-mail:_____

If directed to Covenantor, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Facsimile:_____
E-mail:_____

Except when actual receipt of notice is expressly required by the terms of this Agreement, any notice shall be deemed to have been given (i) at the time of personal delivery, or (ii) in the case of email, upon transmission (absent an electronically generated email failure notice), or (iii) in the case of expedited delivery service on the next Business Day, or (iv) in the case of registered or certified mail, the earlier of three (3) Business Days after the date and time of mailing or first refusal of delivery.

8. We and our successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at their option and in our and their sole discretion, to enforce this Agreement.

9. Our rights and remedies under this Agreement are fully assignable and transferable and shall insure to the benefit of our Affiliates, successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without our prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

MR. GATTI'S OPERATING, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____
Date:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____
Date:_____

COVENANTOR:

_____

By:_____
Name:_____
Title:_____
Date:_____

ATTACHMENT 3

RIDER TO LEASE AGREEMENT

Landlord: _____ LLC	Franchisor:	MR. GATTI'S OPERATING,
Notice Address: _____ _____ _____ _____ _____	Notice Address:	550 Bailey Ave., Suite 650 Fort Worth, Texas 76107 kc.mann@gattispizza.com
Telephone: _____	Telephone:	(817) 546-3500

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Mr. Gatti's Pizza business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor, at Franchisor's sole discretion, the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default. Notice shall be addressed to:

Mr. Gatti's Pizza, LLC
P.O. Box 470726
Fort Worth, Texas 76147
Attention: Legal
Email: legal@gattispizza.com

3. Termination of Lease. Landlord will copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor will have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease. If upon termination of the Lease Franchisor does not exercise its option to enter into a new Lease with Landlord, Landlord consents and agrees that Landlord has no right, title, or interest in and to any property in the Leased Premises bearing Franchisor's brand name, symbols, trade dress, trademark, copyright, or any other intellectual property (collectively, Franchisor's "Intellectual Property") being used in the Premises. In accordance with Section 7. below, Franchisor will have the right, upon appropriate notice, to enter the Leased Premises and recover items bearing Franchisor's Intellectual Property.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant will assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant will have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease will relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee

of the Leased Premises, then Franchisor will have the right to assign or sublease its lease to a franchisee of the Mr. Gatti's Pizza brand.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's Intellectual Property, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

_____

By: _____
Name: _____
Title: _____
Date: _____

TENANT:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:
MR. GATTI'S OPERATING, LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT 4

The following is our current general renewal addendum form that we expect a renewing franchisee may sign as part of a renewal and to be executed with a new, standard form franchise agreement. We may, in our sole discretion, periodically modify this renewal addendum language.

RENEWAL ADDENDUM TO
FRANCHISE AGREEMENT
("Addendum")

Facility: [Address] ("[Identifier]")

This Addendum with the execution of the Franchise Agreement (the "New Franchise Agreement") (collectively, the "Addendum" and the "New Franchise Agreement" are referred to herein as the "Renewal Agreement") dated effective [Date] (the "Effective Date"), is made and entered into by and between **Mr. Gatti's Operating, LLC** ("Franchisor"), _____ ("Franchisee"), and _____ ("Franchisee's Principal") (collectively, Franchisor, Franchisee, and Franchisee's Principal are the "Parties"). The Parties agree that these modifications constitute material consideration for the changes to the Franchise Agreement and agree to the following terms.

Recitals

The Parties are parties to a Franchise Agreement, with related exhibits, attachments, and addendums (the "Old Franchise Agreement") dated [Date], for a Mr. Gatti's Pizza Facility location at:

[Address], referred to herein as "[Identifier]" (the "Facility");

The rights, duties and obligations related to the Facility granted under the Old Franchise Agreement are referred to herein as the "Franchise";

Franchisor and Franchisee have agreed to renew and extend Franchisee's rights and obligations with respect to the Franchise and Facility pursuant to the terms and conditions of the Renewal Franchise Agreement (as defined below) which shall supersede the Old Franchise Agreement, except for those terms in the Old Franchise Agreement which expressly survive termination.

Agreement

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt, sufficiency, and adequacy of which are expressly acknowledged and agreed, the Parties, each intending to be legally bound, do mutually agree as follows:

1. Recitals. All recitals stated above are incorporated herein.

2. Renewal Franchise Agreement. Franchisee and Franchisee's Principal acknowledge and agree as part of the Renewal process, Franchisee and Franchisee's Principal must execute Franchisor's Franchise Agreement in effect at the time of renewal. Franchisee and Franchisee's Principal agree to execute that Franchise Agreement concurrently with this Addendum.

3. Standard Form of Franchise Agreement. Franchisee recognizes and agrees that it has no right to a certain form of Franchise Agreement or certain language within a Franchise Agreement. Franchisee has been provided the current standard form of Franchise Agreement as of the Effective Date, except as modified by this Addendum.

4. Complete Agreement between the Parties. The Parties agree that they are bound only by the Renewal Agreement for the Franchise. No other agreement whether written or oral provides overriding terms or governing requirements for the franchise relationship between Franchisor and Franchisee. This Addendum and New Franchise Agreement reflect the complete agreement of the Parties. This Addendum constitutes the only changes to the New Franchise Agreement among the Parties and is executed concurrently with the New Franchise Agreement.

5. Renewal of existing Facility and Franchise. The Parties acknowledge and agree that this Renewal Franchise Agreement is being executed in connection with a renewal of the franchise rights for the Facility and that the Facility is open and in operation as of the effective date of this Renewal Agreement. Certain requirements and acquisition dates for Franchisee's development site, location, equipment, trade dress and information systems and other similar related development stage and pre-opening obligations related to initial training and the grand opening of the Facility under this Renewal Agreement are deemed to have been satisfied or are alternatively supplemented or amended, including but not limited to certain requirements of Sections II.B, III.D, V.A, VI.A, VI.C, VI.D, and IX.C. Sections VIII.A, VIII.B, and VIII.C are amended to remove any reference to development stage or opening day management and training requirements; however, the remaining obligations are still in effect.

6. Statement of Work. In consideration for the entry of this Renewal Agreement and the renewal of the franchise rights to continue to operate the Facility, Franchisee agrees to complete certain remodeling, refurbishing, and modernizing of the Facility as required by and within the deadlines set forth on the Statement of Work attached to this Addendum, which is incorporated into this Addendum for all purposes.

7. Renewal Fee. In lieu of payment of an Initial Franchise Fee, Franchisee will pay Franchisor a fully earned, non-refundable Renewal fee, due and payable at execution of this Renewal Agreement, of [Renewal Fee Amount] ($[Amount]).

8. Term. The term of this Renewal Agreement will begin on the Effective Date and will continue until the date which is ten (10) years from the Effective Date. Franchisee acknowledges and agrees that Franchisee shall have no automatic right to renew this Renewal Agreement upon the natural expiration of this renewal Term.

9. Cross Default. The Parties acknowledge and agree that a default under any other franchise agreement or other agreement to which Franchisor, and Franchisee or Franchisee's Principal are parties, whether directly named or through affiliates and regardless of ownership, shall constitute a default hereunder and vice-versa.

10. Confidentiality. Franchisee's Principal and Franchisee acknowledge and agree that they are bound by the terms, covenants, and obligations of an existing Confidentiality Agreement and the Confidentiality Agreement attached as an Attachment to the Renewal Agreement. They agree to maintain strict confidentiality of the terms of the Renewal Agreement, except that the content may be revealed to legal advisors, financial advisors, and other senior management, if any. This confidentiality shall be binding for the entirety of the Term of the Renewal Agreement and shall survive termination or renewal of that Term.

11. Modifications, Amendments, and Changes to the Franchise Agreement. The Parties understand and agree that all modifications, amendments, and changes to the New Franchise Agreement as contemplated in this Addendum are not assignable or transferable to any other party, entity, or Franchisee unless agreed to in writing by Franchisor in Franchisor's sole discretion. This Addendum, and its terms, are specific to the herein stated Franchisee and Franchisee's Principals.

12. Remaining Terms. Unless specifically amended, modified, or revised herein, the New Franchise Agreement remains in full force and effect and is hereby ratified and reaffirmed.

13. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the New Franchise Agreement. In the event of any conflict between the terms of this Addendum and the terms of the New Franchise Agreement, the terms of this Addendum shall control. Except as expressly modified by this Addendum, the terms of the New Franchise Agreement shall continue in full force and effect.

14. Headings. Headings of the sections and subsections of this Addendum are inserted for convenience only and shall not control or affect the meaning, construction, or effect of this Addendum or any of the provisions hereof.

15. Severability; Enforceability. Each provision of this Addendum shall be considered severable. If one or more of the provisions contained in this Addendum shall be determined to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Addendum shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

16. Counterpart Execution; Facsimile Signatures. This Addendum may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument. Counterparts exchanged by Facsimile, Electronic mail, PDF, or via other means, shall constitute an enforceable original and shall be considered effective for execution purposes. Each party providing signatures via Facsimile, Electronic mail, PDF, or via other means, shall forward to Franchisor an originally executed signature page within five business days following Franchisor's receipt of the facsimile signature.

17. Electronic Signatures. Any signature hereto or to any other certificate, agreement or document related to this transaction, and any contract formation or record-keeping through electronic means shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law.

[Remainder of page intentionally left blank]
[Execution page to follow]

IN WITNESS WHEREOF, each of the parties hereto have caused this Addendum to be executed by its duly authorized representative as of the date first above written.

FRANCHISOR:

MR. GATTI'S OPERATING, LLC,
a Delaware limited liability company

By: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE:

[FRANCHISEE ENTITY NAME],
a [ ]

By: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE'S PRINCIPAL:

By: _____
Printed Name: _____
Date: _____

EXHIBIT A

Statement of Work
Facility: [Address]

- [Statement of Work requirements]

EXHIBIT A

**TO FRANCHISE AGREEMENT DATED _____, 20____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____
("FRANCHISEE")**

**SELECTED TERMS:
TYPE OF MR. GATTI'S PIZZA FACILITY, DESIGNATED AREA, APPROVED LOCATION, REQUIRED OPENING DATE, ACTUAL OPENING DATE, INITIAL FRANCHISE FEE, PROTECTED AREA, DESIGNATED DELIVERY AREA AND MISCELLANEOUS FEES**

1. TYPE OF MR. GATTI'S PIZZA FACILITY (*check appropriate type*):

___ Mr. Gatti's DELCO
___ Mr. Gatti's FEC

2. DESIGNATED AREA:

The Approved Location for your Mr. Gatti's Pizza Facility shall be identified from within the following geographic area:

_____

_____

3. APPROVED LOCATION:

Your Mr. Gatti's Pizza Facility shall be located at the following address:

_____

_____

4. REQUIRED OPENING DATE: The Required Opening Date of your Mr. Gatti's Pizza Facility is _____, 20__.

5. ACTUAL OPENING DATE: The Actual Opening Date of your Mr. Gatti's Pizza Facility is _____, 20__.

6. INITIAL FRANCHISE FEE: The Initial Franchise Fee is _____ Dollars ($_____) but is subject to a credit of $_____.

7. CONSTRUCTION OVERSIGHT FEE: The Construction Oversight Fee is Five Thousand Dollars ($5,000).

8. TECHNOLOGY FEE: The Technology Fee is an amount we set for the System each calendar year based on our then current costs and payable in weekly installments on the Payment Date up to $100 per Week; currently $25 per Week payable on the Payment Date.

8. PROTECTED AREA:

The Protected Area is:

(a) If your Mr. Gatti's Pizza Facility is a Mr. Gatti's DELCO, the Protected Area is the geographic area contained within a two and one-half (2 ½) mile radius, except in densely populated areas it generally will be a one (1) mile radius, of the Approved Location for your Mr. Gatti's DELCO.

(b) If your Mr. Gatti's Pizza Facility is a Mr. Gatti's FEC, the Protected Area is the geographic area contained within a five (5) mile radius, except in densely populated areas it generally will be a three (3) mile radius, of the Approved Location for your Mr. Gatti's FEC.

The Protected Area shall exclude the following areas:

_____

_____

9. DESIGNATED DELIVERY AREA:

_____

_____

10. RELOCATION FEE, RENEWAL FEE, AND TRANSFER FEE:

a. If your Mr. Gatti's Pizza Facility is a Mr. Gatti's DELCO, the Relocation Fee is 50% of the initial franchise fee in place at the time of the relocation, the Renewal Fee is 50% of the initial franchise fee in place at the time of the renewal, and the Transfer Fee is 50% of the initial franchise fee in place at the time of the transfer.

b. If your Mr. Gatti's Pizza Facility is a Mr. Gatti's FEC, the Relocation Fee is 25% of the initial franchise fee in place at the time of the relocation, the Renewal Fee is 25% of the initial franchise fee in place at the time of the renewal, and the Transfer Fee is 25% of the initial franchise fee in place at the time of the transfer.

11. PRE-OPENING, GRAND OPENING AND ONE-YEAR ANNIVERSARY MARKETING EXPENDITURE:

a. If your Mr. Gatti's Pizza Facility is a Mr. Gatti's DELCO, the pre-opening marketing expenditure is $7,500, the grand opening marketing expenditure is $3,750, and the one-year anniversary marketing expenditure is $3,750.

b. If your Mr. Gatti's Pizza Facility is a Mr. Gatti's FEC, the pre-opening marketing expenditure is $15,000, the grand opening marketing expenditure is $7,500, and the one-year anniversary marketing expenditure is $7,500.

EXHIBIT B

**TO FRANCHISE AGREEMENT DATED _____, 20____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____
("FRANCHISEE")**

SCHEDULE OF OWNERSHIP INTERESTS

The following is a list of all Owners of an ownership interest in Franchisee.

Names and address of Owner	Nature of Ownership Interest
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests Owner is entitled to vote: _____

If any Owner is a corporation, general or limited partnership, limited liability company or other legal entity, its owners are listed below: (include additional schedules for each Owner which is an entity.)

Name of Owner:_____
Type of Entity:_____

Names and address of Owner's interest holders	Nature of interest held
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____

Names and address of Owner's interest holders	Nature of interest held
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____
_____ _____ _____ _____	Number of ownership interests: _____ % of ownership interests: _____ Number of ownership interests interest holder is entitled to vote: _____

EXHIBIT C

TO FRANCHISE AGREEMENT DATED _____, 20____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____
("FRANCHISEE")

ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

_____/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above-named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____
(You must provide us with a voided check for the above account.)

Mr. Gatti's Pizza Facility Location: _____

Mr. Gatti's Pizza Facility #: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

_____
Name of Franchisee/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

EXHIBIT D

TO FRANCHISE AGREEMENT DATED _____, 20____,
BETWEEN MR. GATTI'S OPERATING, LLC AND _____
("FRANCHISEE")

POWER OF ATTORNEY FOR TRANSFER OF TELEPHONE NUMBER

Telephone Numbers

IRREVOCABLE POWER OF ATTORNEY

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §

That _____ ("Franchisee") does hereby irrevocably constitute and appoint Mr. Gatti's Operating, LLC, a Delaware limited liability company ("Franchisor"), as the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee's right, title and interest in and to any and all telephone numbers of Franchisee's franchised Mr. Gatti's Pizza Facility and all related business listings, including but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to Franchisee, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying upon a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____, 20____ by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have affected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest and such power of attorney shall not be affected by the subsequent disability or incapacity of the

principal. It is delivered in the State of Texas and the laws of the State of Texas shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the _____ day of _____ 20____.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

STATE OF _____ §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20___.

(SEAL)

_____
Notary Public

My Commission Expires:

_____

LIST OF FRANCHISED MR. GATTI'S PIZZA FACILITIES

EXHIBIT D

LIST OF FRANCHISED MR. GATTI'S PIZZA FACILITIES
As of December 29, 2024

NOTE: This list does not include any openings or closings of Mr. Gatti's Pizza Facilities after December 29, 2024.

Franchised Mr. Gatti's Pizza Facilities							
Store State	**City**	**Store Address**	**State**	**Zip Code**	**Store Phone Number**	**Format**	**Franchisee**
Alabama							
AL	Opelika	704 1st Avenue	AL	36801	(334) 737-6603	FEC	Kurt Hayley
AL	Dadeville	191 E. South Street	AL	36853	(256) 307-1246	FEC	Kurt Hayley
Indiana							
IN	Clarksville	703 E. Lewis & Clark Parkway	IN	47129	(812) 283-5005	FEC	Aftab Siddiqui
IN	Evansville	316 N. Green River Road	IN	47715	(812) 473-3800	FEC	Kirk Jefferies
IN	Martinsville	620 IN-39 Bypass S.	IN	46151	(765) 342-7621	FEC	Ray Quinn
Kentucky							
KY	Ashland	711 12th Street	KY	41101	(606) 329-8381	FEC	Ray Davis
KY	Brandenburg	584 Bypass	KY	40108	(270) 422-2525	FEC	Woody Neel
KY	Campbellsville	1301 E. Broadway	KY	42718	(270) 789-2326	FEC	Ritchie Gaddis
KY	Corbin	790 E. Cumberland Gap Parkway	KY	40701	(606) 523-1900	FEC	Eric Warren
KY	Elizabethtown	803 N. Mulberry Street	KY	42701	(270) 765-2378	FEC	Stacy Willis
KY	Leitchfield	619 S. Main Street	KY	42754	(270) 259-5332	FEC	Stacy Willis
KY	Lexington	2524 Nicholasville Road	KY	40517	(859) 277-2323	FEC	Jeff Frye
KY	Louisville	10035 Dixie Highway	KY	40272	(502) 632-2504	FEC	Aftab Siddiqui
KY	Louisville	4200 Outer Loop	KY	40219	(502) 964-0920	FEC	Aftab Siddiqui
KY	Morehead	520 E. Main Street	KY	40351	(606) 784-6637	FEC	Dana Brown
KY	Murray	804 Chestnut Street	KY	42071	(270) 753-6656	FEC	Todd Seargent
KY	Pikeville	274 Cassidy Boulevard	KY	41501	(606) 437-6211	FEC	Deborah Slone
KY	Shepherdsville	162 Joe B. Hall Avenue	KY	40165	(502) 955-6530	FEC	Pat Docter
KY	Somerset	739 South Highway 27	KY	42501	(606) 679-9275	FEC	Ritchie Gaddis
Louisiana							
LA	Baton Rouge	5888 Essen Lane	LA	70810	(225) 766-8646	FEC	Phil Moody
LA	Crowley	2218 N. Parkerson Avenue	LA	70526	(337) 783-0754	FEC	Bryant Gielen
LA	Denham Springs	770 S. Range Boulevard	LA	70726	(225) 664-8646	FEC	Phil Moody
LA	Eunice	2224 W. Laurel Street	LA	70535	(337) 457-8319	FEC	Bryant Gielen
LA	Jennings	1320 Elton Road	LA	70546	(337) 824-9853	FEC	Bryant Gielen
LA	Lake Charles	3522 Ryan Street	LA	70605	(337) 474-6625	FEC	Ricky Shetler
LA	New Iberia	828 E. Admiral Doyle	LA	70560	(337) 365-7359	FEC	Phil Moody
LA	Sulphur	1811 S. Ruth Street	LA	70663	(337) 527-0318	FEC	Rocky Keeley
Ohio							
OH	Portsmouth	1658 11th Street	OH	45662	(740) 353-4000	FEC	Tim Knauff
Oklahoma							

OK	Oklahoma City	9410 N. May Avenue	OK	73120	(405) 395-2844	FEC	Brent Swadley
Tennessee							
TN	Knoxville	6903 Maynardville Pike	TN	37918	(865) 922-5519	FEC	Raja Jubran
TN	Maryville	1616 W. Broadway	TN	37801	(865) 981-9999	FEC	Raja Jubran
Texas							
TX	Abilene	2665 Buffalo Gap Road	TX	79605	(325) 692-6326	FEC	Madison Scott
TX	Allen	1201 E. Main Street	TX	75002	(214) 504-9100	DELCO	Majid Jahangiri
TX	Amarillo	4412 S. Western Street	TX	79101	(806) 355-5601	FEC	Madison Scott
TX	Austin	12129 Ranch Road 620, #100	TX	78750	(512) 714-2222	DELCO	George Kash
TX	Austin	3720 Far West Blvd., Suite 114	TX	78731	(512) 583-8090	DELCO	Bill Boone
TX	Austin	12110 Manchaca Road	TX	78748	(512) 583-8099	DELCO	Bill Boone
TX	Austin	7525 E. Highway 290/183	TX	78723	(512) 583-8091	DELCO	Bill Boone
TX	Austin	2121 Parmer Lane	TX	78758	(512) 583-8086	DELCO	Bill Boone
TX	Austin	801 E. William Cannon	TX	78745	(512) 583-8103	DELCO	Bill Boone
TX	Austin	2410 Riverside Drive	TX	78741	(512) 583-8097	DELCO	Bill Boone
TX	Cedar Park	717 N. Bell	TX	78613	(512) 258-6140	DELCO	George Kash
TX	Converse	293 Converse Center Street	TX	78109	(210) 231-0600	DELCO	Ali Sutaria
TX	Del Rio	103 Garner Drive	TX	78840	(830) 774-5616	FEC	Skip Baker
TX	Dripping Springs	136 Drifting Wind Run	TX	78620	(512) 583-8100	DELCO	Bill Boone
TX	El Campo	1202 North Mechanic	TX	77437	(979) 543-3200	FEC	Jake Lutz
TX	Fort Worth	2812 Horne Street, Suite 100	TX	76107	(682) 350-2010	DELCO	Kirk Jefferies
TX	Fort Worth	5203 McCart Avenue, Suite 205	TX	76115	TBD	FEC	Kirk Jefferies
TX	Fredericksburg	2931 S. State Highway 16	TX	78624	(830) 997-9797	FEC	Pam Schnelle
TX	Georgetown	3010 Williams Drive	TX	78626	(512) 869-5555	DELCO	George Kash
TX	Houston	150 Uvalde Road	TX	77015	(713) 451-2866	FEC	Roberto Juarez
TX	Houston	16607 El Camino Real	TX	77062	(281) 480-4800	FEC	Jeff Khaki
TX	Houston	4001 S. Sam Houston Parkway E, Suite 112	TX	77047	(832) 538-1432	FEC	Ali Sutaria
TX	Hutto	326 Ed Schmidt Blvd., Suite 104	TX	78634	(512) 886-2222	DELCO	George Kash
TX	Killeen	2497 E. Texas Expressway	TX	76543	(254) 634-2222	FEC	Ali Sutaria
TX	Kingsland	3501 RR-1431	TX	78639	(325) 388-6888	FEC	Joe Scribner
TX	Kyle	22510 IH-35	TX	78640	(512) 399-2222	DELCO	George Kash
TX	Lago Vista	20900 FM 1431	TX	78645	(512) 350-2178	DELCO	Josh Mitchell
TX	McAllen	4100 N. 2nd Street, #1000	TX	78501	(956) 687-1537	FEC	Bill Boone
TX	Midland	614 W. Wadley	TX	79705	(432) 688-3977	FEC	Bill Boone
TX	Odessa	2750 N. Grandview	TX	79762	(432) 368-4488	FEC	Bill Boone
TX	Pflugerville	1615 Grand Avenue Parkway, #102	TX	78660	(512) 251-7748	DELCO	George Kash
TX	Plano	1820 Coit Road	TX	75075	(972) 943-0000	DELCO	Majid Jahangiri
TX	Rockdale	1510 W. Cameron	TX	76567	(512) 446-2538	FEC	Wendy Pickett

TX	Round Rock	1112 N. IH-35	TX	78664	(512) 255-6699	FEC	George Kash
TX	Round Rock	2141 N. IH-35	TX	78664	(512) 218-9700	DELCO	George Kash
TX	Round Rock	3810 Gattis School Road	TX	78664	(512) 244-9091	DELCO	George Kash
TX	San Marcos	1504 Aquarena Springs, #303	TX	78666	(512) 770-2222	DELCO	George Kash
TX	Taylor	2708 N. Main Street	TX	76574	(512) 365-2222	FEC	Bill Boone
TX	Temple	2102 S. 31st Street, Suite 130	TX	76504	(254) 633-2222	DELCO	George Kash
TX	Universal City	2921 Pat Booker Road, #148	TX	78148	(210) 566-0022	FEC	Bill Boone
TX	Uvalde	404 W. Main Street	TX	78801	(830) 407-5089	FEC	Ali Sutaria
TX	Waco	5201 Bosque Blvd., Suite 280	TX	76710	(254) 339-1143	DELCO	Jackie Duron
TX	Weslaco	2001 W. Expressway 83	TX	78596	(956) 405-3373	FEC	Muhammad Ahmed

List of Area Development Agreement locations identified in signed Area Development Agreements, but the Mr. Gatti's Pizza Facilities are not opened as of December 29, 2024.

Area Development Agreement Locations - not yet open							
Store state	**City**	**Store Address**	**State**	**Zip Code**	**Store Phone Number**	**Format**	**Franchisee**
Alabama							
AL	TBD	TBD	AL	TBD	TBD	FEC	Kurt Hayley
AL	TBD	TBD	AL	TBD	TBD	FEC	Kurt Hayley
AL	TBD	TBD	AL	TBD	TBD	FEC	Kurt Hayley
Arkansas							
AR	TBD	TBD	AR	TBD	TBD	FEC	Kurt Hayley
AR	TBD	TBD	AR	TBD	TBD	FEC	Kurt Hayley
AR	TBD	TBD	AR	TBD	TBD	FEC	Kurt Hayley
AR	TBD	TBD	AR	TBD	TBD	FEC	Kurt Hayley
AR	TBD	TBD	AR	TBD	TBD	FEC	Kurt Hayley
Georgia							
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
GA	TBD	TBD	GA	TBD	TBD	FEC	Kurt Hayley
Kentucky							
KY*	Glasgow	2345 Happy Valley Road	KY	42141	TBD	WMSF	BBDSF

KY*	Bowling Green	1201 Morgantown Road	KY	42101	TBD	WMSF	BBDSF
KY*	Owensboro	3151 Leitchfield Road	KY	42303	TBD	WMSF	BBDSF
KY*	Radcliff	1165 Walmart Way	KY	40160	TBD	WMSF	BBDSF
KY*	Henderson	1195 Barret Blvd.	KY	42420	TBD	WMSF	BBDSF
Louisiana							
LA	Carencro	TBD	LA	TBD	TBD	FEC	Bryant Gielen
LA	Broussard	TBD	LA	TBD	TBD	FEC	Bryant Gielen
LA	Abbeville	TBD	LA	TBD	TBD	FEC	Bryant Gielen
LA*	Alexandria	2050 N. Mall Drive	LA	71301	TBD	WMSF	BBDSF
LA*	Slidell	39142 Natchez Drive	LA	70461	TBD	WMSF	BBDSF
Missouri							
MO	TBD	TBD	MO	TBD	TBD	FEC	Kurt Hayley
MO	TBD	TBD	MO	TBD	TBD	FEC	Kurt Hayley
MO	TBD	TBD	MO	TBD	TBD	FEC	Kurt Hayley
MO	TBD	TBD	MO	TBD	TBD	FEC	Kurt Hayley
North Carolina							
NC	Wilmington	TBD	NC	TBD	TBD	FEC	Matthew Oborne
NC	Sanford	3294 NC-87 South	NC	27332	TBD	FEC	Matthew Oborne
NC	Matthews	TBD	NC	TBD	TBD	FEC	Matthew Oborne
NC	Wilmington	TBD	NC	TBD	TBD	DELCO	Matthew Oborne
NC	Greenville	TBD	NC	TBD	TBD	DELCO	Matthew Oborne
Oklahoma							
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK	TBD	TBD	OK	TBD	TBD	FEC	Kurt Hayley
OK*	Muskogee	1000 W. Shawnee Street	OK	74401	TBD	WMSF	BBDSF
OK*	Broken Arrow	6310 S. Elm Place	OK	74011	TBD	WMSF	BBDSF
OK*	Sand Springs	220 S. Highway 97	OK	74063	TBD	WMSF	BBDSF
OK*	Shawnee	196 Shawnee Mall Drive	OK	74808	TBD	WMSF	BBDSF
OK*	Norman	333 N. Interstate Drive	OK	73069	TBD	WMSF	BBDSF
OK*	Edmond	2200 W. Danforth Road	OK	73003	TBD	WMSF	BBDSF
Texas							
TX	TBD	TBD	TX	TBD	TBD	FEC	Muhammad Ahmed
TX	TBD	TBD	TX	TBD	TBD	FEC	Muhammad Ahmed

TX	TBD	TBD	TX	TBD	TBD	FEC	Muhammad Ahmed
TX	TBD	TBD	TX	TBD	TBD	FEC	Ali Sutaria
TX	TBD	TBD	TX	TBD	TBD	FEC	Ali Sutaria
TX	TBD	TBD	TX	TBD	TBD	DELCO	George Kash
TX	TBD	TBD	TX	TBD	TBD	DELCO	George Kash
TX	TBD	TBD	TX	TBD	TBD	DELCO	George Kash
TX	TBD	TBD	TX	TBD	TBD	DELCO	George Kash
TX	TBD	TBD	TX	TBD	TBD	DELCO	Bill Boone
TX	TBD	TBD	TX	TBD	TBD	DELCO	Bill Boone
TX	TBD	TBD	TX	TBD	TBD	FEC	William Pohl
TX	TBD	TBD	TX	TBD	TBD	DELCO	William Pohl
TX	Liberty Hill	TBD	TX	TBD	TBD	DELCO	William Pohl
TX	TBD	TBD	TX	TBD	TBD	DELCO	William Pohl
TX	Tarrant County	TBD	TX	TBD	TBD	FEC	Kirk Jefferies
TX	Tarrant County	TBD	TX	TBD	TBD	FEC	Kirk Jefferies
TX	Tarrant County	TBD	TX	TBD	TBD	DELCO	Kirk Jefferies
TX	Laredo	TBD	TX	TBD	TBD	FEC	Alberto Vela
TX	Palmview	TBD	TX	TBD	TBD	FEC	Alberto Vela
TX	Kingsville	TBD	TX	TBD	TBD	FEC	Alberto Vela
TX	San Benito	TBD	TX	TBD	TBD	FEC	Alberto Vela
TX*	Cleveland	831 Highway 59 S	TX	77327	TBD	WMSF	BBDSF
TX*	Montgomery	18700 Highway 105 W	TX	77356	TBD	WMSF	BBDSF
TX*	Lake Dallas	1035 Hickory Creek Blvd.	TX	75065	TBD	WMSF	BBDSF
TX*	Port Arthur	8585 Memorial Blvd.	TX	77642	TBD	WMSF	BBDSF
TX*	Vidor	1360 N. Main Street	TX	77662	TBD	WMSF	BBDSF
TX*	Elgin	1320 W. Highway 290	TX	78621	TBD	WMSF	BBDSF
TX*	Levelland	407 E. State Road 114	TX	79336	TBD	WMSF	BBDSF
TX*	Amarillo	5730 W. Amarillo Blvd.	TX	79106	TBD	WMSF	BBDSF
TX*	Liberty	2121 N. Highway 146	TX	77575	TBD	WMSF	BBDSF
TX*	La Grange	1915 W. State Highway 71	TX	78945	TBD	WMSF	BBDSF
TX*	Cleveland	831 Highway 59 S	TX	77327	TBD	WMSF	BBDSF

List of Stores that are temporarily closed pending relocation or reopening as of December 29, 2024.

Note: In each case, the Franchisee has committed to relocate the location.

Stores temporarily closed pending relocation							
Store state	**City**	**Store Address**	**State**	**Zip Code**	**Store Phone Number**	**Format**	**Franchisee**

Alabama							
AL	Dadeville	191 E. South Street	AL	36853	(256) 307-1246	FEC	Kurt Hayley
AL	Opelika	704 1st Avenue	AL	36801	(334) 737-6603	FEC	Kurt Hayley
Texas							
TX	Austin	7101 Highway 71, Suite C9	TX	78735	(512) 583-8098	DELCO	Bill Boone
TX	Austin	2410 Riverside Drive	TX	78741	(512) 583-8097	DELCO	Bill Boone
TX	Converse	293 Converse Center Street	TX	78109	(210) 231-0600	DELCO	Ali Sutaria
TX	Dripping Springs	136 Drifting Wind Run	TX	78620	(512) 583-8100	DELCO	Bill Boone
TX	Houston	4001 S. Sam Houston Parkway E, Suite 112	TX	77047	(832) 538-1432	FEC	Ali Sutaria

List of Franchise Agreements signed but not yet open as of December 29, 2024.

Note: The below are single-unit Franchise Agreements signed, but the Mr. Gatti's Pizza Facility is not yet open.

*Denotes Mr. Gatti's Pizza Special Facility locations located in Walmart retail centers

Franchised Stores - Not yet open							
Store state	**City**	**Store Address**	**State**	**Zip Code**	**Store Phone Number**	**Format**	**Franchisee**
Kentucky							
KY	Bowling Green	TBD	KY	TBD	TBD	FEC	Aftab Siddiqui
KY	Hazard	TBD	KY	TBD	TBD	FEC	Kimberly King
Texas							
TX	Big Spring	400 Nolan Street	TX	79720	TBD	FEC	Brint Ryan
TX	Portland	TBD	TX	TBD	TBD	FEC	Jeff Gleinig
TX	Portland	TBD	TX	TBD	TBD	DELCO	Jeff Gleinig

EXHIBIT E

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM IN THE LAST FISCAL YEAR

EXHIBIT E

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM IN THE LAST FISCAL YEAR

As of December 29, 2024

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during fiscal year 2023. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

List of Transfers in Fiscal Year 2024

**means that the franchisee remains in the System with other Mr. Gatti's Pizza Facilities*

Transferred Stores								
Store state	**City**	**Store Address**	**State**	**Zip Code**	**Store Phone Number**	**Format**	**Former Franchisee**	**Details of Transfer**
Oklahoma								
OK	Oklahoma City	9410 N. May Avenue	OK	73120	(405) 395-2844	FEC	Brent Swadley	Franchisee built brand new location but needed to turn focus to personal developments.
Texas								
TX	Houston	16607 El Camino Real	TX	77062	(281) 480-4800	FEC	Jeff Khaki	30+ year tenured franchisee desired to retire and realize value of investment; new franchisee is new to the Brand and has other locations under development

List of Closed Stores in Fiscal Year 2024

**means that the franchisee remains in the System with other Mr. Gatti's Pizza Facilities*

Closed Stores								
Store state	**City**	**Store Address**	**State**	**Zip Code**	**Store Phone Number**	**Format**	**Franchisee**	**Reason for closure**
TX	Brenham	2855 US-290	TX	77833	(979) 353-2222	FEC	Mark Schulte	The state claimed the store parking lot under eminent domain for state highway expansion and franchisee had no other parking options.
TX	Kingwood	1345 Kingwood Drive, Suite 1	TX	77339	(832) 644-8780	FEC	Viviana De La Cruz	Franchisee had a dispute with a business partner that led to business partner leaving. Franchisee was no longer able to keep the location open on her own.

FINANCIAL STATEMENTS

EXHIBIT F

MR. GATTI'S OPERATING, LLC
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 29, 2024
with Report of Independent Auditors

MR. GATTI'S OPERATING, LLC
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 29, 2024

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REPORT OF INDEPENDENT AUDITORS

To the Members of
Mr. Gatti's Operating, LLC and subsidiaries

Opinion

We have audited the consolidated financial statements of Mr. Gatti's Operating, LLC and subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheet as of December 29, 2024, and the related consolidated statements of operations, members' deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2024, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Whitley Penn LLP

Fort Worth, Texas
April 7, 2025

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 29, 2024

Assets	
Current assets:	
Cash and cash equivalents	$ 1,918,480
Accounts receivable	443,906
Due from related party	157,706
Inventories	46,361
Prepaid expenses and other current assets	240,304
Accrued interest income	98,458
Total current assets	2,905,215
Property and equipment, net	2,055,240
Right-of-use asset - operating leases	3,276,809
Related party note receivable	7,883,731
Other non-current asset	45,833
Intangible assets, net	4,572,466
Total assets	$ 20,739,294
Liabilities and Members' Deficit	
Current liabilities:	
Accounts payable	$ 288,626
Accrued expenses	1,012,365
Distribution payable	25,000
Deferred franchise fees, current portion	50,000
Current portion of operating lease liabilities	472,415
Total current liabilities	1,848,406
Long-term operating lease liabilities, net	3,287,431
Deferred franchise fees, net of current portion	1,845,625
Notes payable, net of current portion and deferred borrowing costs	30,803,736
Total liabilities	37,785,198
Commitments and contingencies	
Members' deficit	(17,045,904)
Total liabilities and members' deficit	$ 20,739,294

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended December 29, 2024

Revenues:	
Food and beverage revenue, net of discounts	$ 2,018,839
Amusements and other revenue	1,975,427
Franchise royalties and fees	8,001,175
Total revenues, net	11,995,441
Cost of revenues	893,760
Gross profit	11,101,681
Operating expenses:	
Store payroll and benefits	1,156,793
Non-store operating payroll and benefits	3,332,342
Depreciation and amortization	1,018,202
Franchise, general, and administrative expenses	3,500,130
Other store operating expenses	640,256
Total operating expenses	9,647,723
Operating income	1,453,958
Other income (expense):	
Other income	588,577
Other expense	(34,261)
Interest expense	(3,311,800)
Total other expense	(2,757,484)
Loss before state income tax expense	(1,303,526)
State income tax expense	65,000
Net loss	$ (1,368,526)

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT

Year Ended December 29, 2024

	Equity Bank (Class A)	Mr. Gatti's Pizza, LLC (Class B)	Total
Balance at December 31, 2023	$ 11,459,200	$ (16,643,477)	$ (5,184,277)
Conversion of related-party payables to members' equity	-	99,929	99,929
Distributions	(291,200)	(1,801,830)	(2,093,030)
Buyout of class A units	(8,500,000)	-	(8,500,000)
Cancellation of class A units	(2,668,000)	2,668,000	-
Net loss	-	(1,368,526)	(1,368,526)
Balance at December 29, 2024	$ -	$ (17,045,904)	$ (17,045,904)

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 29, 2024

Operating Activities	
Net loss	$ (1,368,526)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	1,018,202
Non-cash lease expense	601,459
Deferred borrowing costs	474,037
Changes in operating assets and liabilities:	
Accounts receivable	18,773
Accrued interest income	(98,458)
Inventories	6,939
Prepaid expenses and other current assets	29,596
Due from related party	(157,706)
Accounts payable and accrued expenses	424,633
Deferred franchise fees	246,250
Operating lease liability	(654,557)
Net cash provided by operating activities	540,642
Investing Activities	
Purchases of property and equipment	(149,767)
Net cash used in investing activities	(149,767)
Financing Activities	
Member distributions	(2,068,030)
Buyout of Class A units	(8,500,000)
Funds provided by note receivable	(7,883,731)
Proceeds on notes payable	28,500,000
Payments on notes payable	(7,532,847)
Capitalized interest on notes payable	820,687
Deferred borrowing costs	(2,216,930)
Net cash provided by financing activities	1,119,149
Net increase in cash and cash equivalents	1,510,024
Cash and cash equivalents at beginning of year	408,456
Cash and cash equivalents at end of year	$ 1,918,480
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	$ 1,465,346
Cash paid during the year for income taxes	$ 37,735
Supplemental Disclosure of Non-Cash Information	
Right-of-use asset assumed through lease liability	$ 930,267
Distribution payable	$ 25,000
Conversion of related-party payables to member interests	$ 99,929
Property and equipment and intangible assets acquired through notes payable	$ 1,380,000

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 29, 2024

A. Nature of Business

Effective November 12, 2021, the owners of Mr. Gatti's Pizza, LLC ("MGP") contributed all assets and liabilities of MGP to Mr. Gatti's Operating, LLC ("MGO") in exchange for 100% of the Class B Units of MGO. As part of the transaction described in Note E, MGO also issued non-participating Class A Units on the same day.

MGO and subsidiaries (collectively, the "Company") operate and franchise dining and family entertainment center facilities that offer a wide variety of pizza, pasta, salads, and desserts. The Company's facilities consist of dine-in buffet restaurants and facilities designed specifically for pickup and delivery sales. The Company also has large, high-quality buffet restaurants featuring separate rooms with high-tech redemption and non-redemption games and other attractions for people of all ages.

As of December 29, 2024, there were two Company-owned restaurants and 80 franchise restaurants operating in eight states. The Company-owned restaurants are located in Austin, Texas and Oklahoma City, Oklahoma, and the Company's corporate office is located in Fort Worth, Texas.

B. Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Fiscal Year

The Company's fiscal year is based on a 52/53-week reporting period with the end of the fiscal year ending on the last Sunday of December.

Basis of Accounting

The accounts are maintained and the consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of MGO and MGO's subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

B. Summary of Significant Accounting Policies – continued

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 29, 2024, the Company had no such investments. The Company maintains deposits in multiple financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not typically bear interest. The Company regularly monitors and assesses its risk of not collecting amounts owed by customers. The Company operates in the franchise dining and family entertainment industry, and its accounts receivable are primarily derived from customers. The Company considers accounts receivable balances to be fully collectible; accordingly, no allowance for credit losses has been established at December 29, 2024.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income (or an offset to credit loss expense) in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs was immaterial to the consolidated financial statements as a whole for the year ended December 29, 2024.

Inventories

Inventories consist of food, paper supplies, plush, and uniforms and are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Property and equipment are carried at cost. Depreciation is provided on the straight-line method over the assets' estimated service lives. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lives of the respective leases or the service lives of the improvements. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. Estimated useful lives for property and equipment are five years.

B. Summary of Significant Accounting Policies – continued

Leases

The Company has leases for its office space and Company-owned restaurants. A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets and finance lease right-of-use assets (collectively "ROU assets") represent the Company's right to use an underlying asset for the lease term. Operating lease liabilities and finance lease liabilities (collectively, "lease liabilities") represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

Operating leases are included in right-of-use asset – operating leases and operating lease liabilities on the accompanying consolidated balance sheet.

Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The Company has lease extension terms for the office space that have either been extended or are likely to be extended. The terms used to calculate the ROU assets and lease liabilities for these properties include the renewal options that the Company is reasonably certain to exercise.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company utilizes its incremental borrowing rate in effect at the time of the lease inception. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions, or covenants.

The Company's lease agreements contain lease and non-lease components, which we account for as a single lease component. For these leases, there may be variability in future lease payments as the amount of non-lease component is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, utilities, taxes, and other related fees that are passed on from the lessor in proportion to the leased space, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Intangible Assets

Intangible assets consist of franchise agreements and trademarks amortized using the straight-line method over their estimated benefit periods of fifteen to twenty years.

B. Summary of Significant Accounting Policies – continued

Long-Lived Assets

The Company evaluates its long-lived assets, including trademarks and franchise agreements, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value and is recorded in the period the determination was made. No impairment was deemed necessary on the assets at December 29, 2024.

Deferred Borrowings Costs

The Company capitalizes incremental costs that are directly attributable to issuing notes payable and amortizes such costs as a non-cash component of interest expense over the term of the related debt. Amounts of unamortized deferred borrowing costs are presented as a direct reduction of long-term debt in the accompanying consolidated balance sheet. At December 29, 2024, unamortized loan costs were approximately $1,897,000. See Note E for a reconciliation of the total notes payable and deferred borrowing costs.

Revenue Recognition

Food, Beverage, and Amusement Revenue

The Company derives revenue from the sale of food, beverages, and amusement (games and entertainment) at the Company-owned restaurants. The Company recognizes sales revenue upon delivery of food, beverage, and amusement to the customer, net of sales tax.

Franchise and Royalty Revenue

The Company derives revenue from the sale of franchises for an initial franchise fee and future royalties based on a percentage of monthly gross sales in exchange for the license of the intellectual property associated with our brand. Revenue from the upfront franchise fees is recognized at the time of the store opening as the performance obligations are met, which include the construction, preopening, and opening training services. Royalty revenues are recognized in the period earned based on a percentage of monthly gross sales of the franchisees. The Company also derives revenue from a marketing development fee which is based on a percentage of monthly gross sales. The proceeds may be used at management's discretion for marketing and advertising. The Company records revenue once the performance obligations have been met. The opening balances of accounts receivable and contract liabilities at January 1, 2024, were $462,679 and $1,649,375, respectively.

B. Summary of Significant Accounting Policies – continued

Income Taxes

The Company is a pass-through entity for U.S. tax purposes. Under the existing provisions of the Internal Revenue Code, a pass-through entity is exempt from U.S. federal income tax other than tax on certain capital gains and passive income. The income or loss of a pass-through entity is passed through to the owners who include their share of the Company's separately stated items of income, deduction, loss, and credit and their share of non-separately stated income or loss. Accordingly, no provision for U.S. federal income tax has been provided for the accompanying consolidated financial statements since the owners report their share of the Company's taxable income or loss in their income tax returns. Provisions for state taxes are based on the gross profit margin of the Company.

Tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the consolidated financial statements. The tax position is measured as the largest amount of expense that is greater than 50 percent likely to be realized upon settlement. The Company classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense.

Management of the Company has not taken a tax position that, if challenged, would be expected to have a material effect on the consolidated financial statements at December 29, 2024.

At December 29, 2024, tax returns related to 2022 and subsequent remain open to possible examination by the tax authorities. No tax returns are currently under examination by any tax authorities. The Company did not incur any penalties or interest related to its state tax returns for the year ended December 29, 2024.

Under the centralized partnership audit rules effective for tax years beginning after 2017, the Internal Revenue Service ("IRS") assesses and collects underpayments of tax from the partnership instead of from each partner. The partnership may be able to pass the adjustments through to its partners by making a push-out election or, if eligible, by electing out of the centralized partnership audit rules.

The collection of tax from the partnership is only an administrative convenience for the IRS to collect any underpayment of income taxes including interest and penalties. Income taxes on partnership income, regardless of who pays the tax or when the tax is paid, are attributed to the partners. Any payment made by the partnership as a result of an IRS examination will be treated as a distribution from the partnership to the partners in the consolidated financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately $949,000 for the year ended December 29, 2024, and is included within franchise, general, and administrative expenses on the consolidated statement of operations.

B. Summary of Significant Accounting Policies – continued

Fair Value of Financial Instruments

The Company calculates the fair value of its assets and liabilities, which qualify as financial instruments, and includes this information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of accounts receivable, accounts payable, and accrued expenses approximates the carrying amounts due to the relatively short maturity of these instruments. The carrying value of the notes payable also approximates fair value since these instruments bear a market rate of interest. None of these instruments are held for trading purposes.

Taxes Collected from Customers

In the course of doing business, the Company collects taxes from customers, including but not limited to sales taxes. It is the Company's policy to record these taxes on a net basis in the statement of operations; therefore, the Company does not include the taxes collected as a component of revenues.

C. Property and Equipment

Property and equipment consisted of the following at December 29, 2024:

Equipment	$ 1,195,488
Leasehold improvements	1,227,162
Furniture and fixtures	562,695
	2,985,345
Less accumulated depreciation	(930,105)
	$ 2,055,240

Depreciation expense was approximately $263,000 for the year ended December 29, 2024, which is included in depreciation and amortization expense on the accompanying consolidated statement of operations.

D. Intangible Assets

Definite-lived intangible assets consist of the following at December 29, 2024:

Franchise agreements	$ 9,848,036
Trademarks	1,973,398
	11,821,434
Less accumulated amortization	(7,248,968)
	$ 4,572,466

D. Intangible Assets – continued

Based on the current carrying amount of intangible assets subject to amortization, the estimated amortization expense for each of the succeeding five years and thereafter is as follows:

2025	$ 755,206
2026	755,206
2027	755,206
2028	755,206
2029	755,206
Thereafter	796,436
	$ 4,572,466

Amortization expense was approximately $755,000 for the year ended December 29, 2024, which is included in depreciation and amortization expense on the accompanying consolidated statement of operations.

E. Notes Payable

On November 12, 2021, the Company entered into a promissory note with TransPecos Bank in the amount of $6,500,000. The note matures in November 2031, bears an interest rate equal to the Prime Rate plus 3.5% per annum with the minimum interest rate being 6.75% per annum, and requires monthly payments that are subject to change beginning on December 12, 2021. The note is subject to a prepayment penalty whereby the Company would be obligated to pay a penalty equal to 1% of the principal amount to be prepaid if paid in part or in whole between November 13, 2023 and November 12, 2024. Effective August 1, 2024, the note was fully repaid. The Company paid a prepayment penalty of approximately $52,000 which is included within interest expense on the accompanying consolidated statement of operations.

On November 12, 2021, the Company entered into another promissory note with one of its franchisees in the amount of $4,000,000. The note bears an interest rate of 9.00% per annum and requires monthly interest payments beginning on December 1, 2021. The outstanding principal amount was originally due on the two-year anniversary of the note in November 2023. On February 13, 2023, the note was amended to extend the maturity date to November 2025. On March 22, 2024, the note was amended to extend the maturity date to March 2026 and increase the interest rate to 12.50% per annum. On August 1, 2024, the note was amended to decrease the interest rate to 9.0% per annum. At December 29, 2024, the outstanding principal balance was $2,000,000.

E. Notes Payable – continued

Effective August 1, 2024, the Company entered into a secured loan agreement with Tacora Capital, LP where the Company can draw up to a maximum of $33,000,000. The loan matures on August 1, 2027. The loan is collateralized by all assets of the Company. Interest on the outstanding principal is 18.50%. For the first year of the loan, interest payments are due on a quarterly basis on which the Company may elect to pay 50% of the accrued interest and pay in kind ("PIK") the remaining 50%. At December 29, 2024, the outstanding principal balance was $28,500,000 and the PIK balance was $820,687. Principal payments are due at the maturity date.

Effective November 18, 2024, the Company entered into a promissory note for $1,380,000 for the purchase of store assets from one of the Company's franchisees. The note bears interest of 4%. Annual payments are not required until the store generates weekly sales of at least $50,000 for five consecutive weeks. The note matures May 18, 2027.

Maturities of notes payable are as follows:

2025	$ -
2026	2,000,000
2027	30,700,687
Total	32,700,687
Less unamortized deferred borrowing costs	1,896,951
Total	$30,803,736

F. Members' Deficit

MGO is authorized to issue twelve million Class A Units and an unlimited number of Class B Units. During the year, the year the Company repurchased all the outstanding Class A units from Equity Bank and subsequently cancelled the Class A units. Accordingly, as of December 29, 2024, there were no Class A Units issued and outstanding and there were 17,000,000 Class B Units issued and outstanding.

In accordance with the note payable with a franchisee discussed in Note E, MGO issued a warrant to the holder of the note. The warrant allows the holder to obtain up to 2.5% of the fully diluted Class B Units outstanding in exchange for $1,000. The value of the warrant was deemed to be immaterial and, thus, no amounts have been recorded in the accompanying consolidated financial statements.

In accordance with the promissory note with TransPecos Bank discussed in Note E, MGO issued a warrant to the holder of the note. The warrant allows the holder to obtain up to 5.0% of the fully diluted Class B Units outstanding in exchange for $1,000. The value of the warrant was deemed to be immaterial and, thus, no amounts have been recorded in the accompanying consolidated financial statements.

F. Members' Deficit – continued

In accordance with the loan with Tacora Capital, LP discussed in Note E, MGO issued a warrant to the holder of the note. The warrant allows the holder to obtain up to 4.5% of the fully diluted Class B Units outstanding at an exercise price of $2.02. The value of the warrant was deemed to be immaterial and, thus, no amounts have been recorded in the accompanying consolidated financial statements.

G. Leases

The Company leases office and retail space for its corporate headquarters and its corporate-owned stores. The leases have remaining lease terms of approximately 7 years, some of which may include options to terminate the leases.

The components of lease expense during the year ended December 29, 2024, are as follows:

Operating lease cost	$	601,330
Variable lease cost	$	61,527
Short-term lease cost	$	25,955

Weighted average lease term and discount rate as of December 29, 2024, are as follows:

Weighted average remaining lease term (years)	
Operating leases	7.21
Weighted average discount rate	
Operating leases	8.26%

Cash paid during the year ended December 29, 2024, for operating leases is as follows:

Operating leases		
Operating cash flows	$	654,557

ROU assets obtained in exchange for lease liabilities during the year ended December 29, 2024, are as follows:

Operating leases	$	930,267

G. Leases – continued

Maturities of lease liabilities as of December 29, 2024, are as follows:

	Operating Leases
2025	$ 755,676
2026	764,274
2027	672,313
2028	540,766
Thereafter	2,175,839
Total lease payments	4,908,868
Less present value discount	(1,149,022)
Lease liabilities	$ 3,759,846

H. Commitments and Contingencies

Litigation

The Company is involved in various suits and claims arising in the normal course of business. In management's opinion, the ultimate outcome of these items will not have a material adverse effect on the Company's results of operations or financial position.

I. Related Parties

As of December 29, 2024, the Company has a note receivable from a related party with an outstanding balance of $7,883,731. The note bears PIK interest at an annual rate of 3.5%, which is added to the principal balance on the anniversary date of the note. The accrued interest balance at December 29, 2024, was $98,000. The note matures in December 2035.

During the year, the Company made principal and interest payments for a loan payoff on behalf of a member. As of December 29, 2024, there was an outstanding receivable for $157,706 related to the payoff.

During the year, the Company collected approximately $30,000 of royalties and marketing development fund fees from a related-party franchisee.

During the year, the Company paid $125,000 in management fees to a related party which is recognized in franchise, general and administrative expenses on the accompanying consolidated statement of operations.

J. Subsequent Events

In preparing the consolidated financial statements, the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through April 7, 2025, the date the consolidated financial statements were available for issuance.

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MR. GATTI'S OPERATING, LLC
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023
with Report of Independent Auditors

MR. GATTI'S OPERATING, LLC
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

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REPORT OF INDEPENDENT AUDITORS

To the Members of
Mr. Gatti's Operating, LLC and subsidiaries

Opinion

We have audited the consolidated financial statements of Mr. Gatti's Operating, LLC and subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of income, members' deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Whitley Penn LLP

Fort Worth, Texas
April 16, 2024

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 31, 2023

Assets	
Current assets:	
Cash and cash equivalents	$ 408,456
Accounts receivable	462,679
Inventories	53,300
Prepaid expenses and other current assets	269,900
Total current assets	1,194,335
Property and equipment, net	788,469
Right-of-use asset - operating leases	2,658,650
Other non-current asset	45,833
Intangible assets, net	5,327,672
Total assets	$ 10,014,959
Liabilities and Members' Deficit	
Current liabilities:	
Accounts payable	$ 349,070
Accrued expenses	527,288
Due to Mr. Gatti's Pizza, LLC	99,929
Deferred franchise fees, current portion	50,000
Current portion of operating lease liabilities	349,213
Notes payable, current portion	444,465
Total current liabilities	1,819,965
Long-term operating lease liabilities, net	2,845,572
Deferred franchise fees, net of current portion	1,599,375
Notes payable, net of current portion and deferred borrowing costs	8,934,324
Total liabilities	15,199,236
Commitments and contingencies	
Members' deficit	(5,184,277)
Total liabilities and members' deficit	$ 10,014,959

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

Year Ended December 31, 2023

Revenues:	
Food and beverage revenue, net of discounts	$ 2,083,923
Amusements and other revenue	1,767,135
Franchise royalties and fees	7,144,946
Total revenues, net	10,996,004
Cost of revenues	900,762
Gross profit	10,095,242
Operating expenses:	
Store payroll and benefits	1,182,471
Non-store operating payroll and benefits	3,448,719
Depreciation and amortization	986,865
Franchise, general, and administrative expenses	2,633,260
Other store operating expenses	708,170
Total operating expenses	8,959,485
Operating income	1,135,757
Other income (expense):	
Other income	459,677
Other expense	(188,756)
Interest expense	(1,060,830)
Total other expense	(789,909)
Income before state income tax expense	345,848
State income tax expense	45,000
Net income	$ 300,848

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT

Year Ended December 31, 2023

	Equity Bank (Class A)	Mr. Gatti's Pizza, LLC (Class B)	Total
Balance at December 25, 2022	$ 12,000,000	$ (16,201,200)	$ (4,201,200)
Distributions	(540,800)	(743,125)	(1,283,925)
Net income	-	300,848	300,848
Balance at December 31, 2023	$ 11,459,200	$ (16,643,477)	$ (5,184,277)

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

Operating Activities	
Net income	$ 300,848
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	986,865
Non-cash lease expense	596,827
Deferred borrowing costs	11,760
Changes in operating assets and liabilities:	
Accounts receivable	(33,429)
Inventories	(9,481)
Prepaid expenses and other current assets	23,804
Due to Mr. Gatti's Pizza, LLC	61,622
Accounts payable and accrued expenses	109,177
Deferred franchise fees	366,250
Operating lease liability	(590,633)
Net cash provided by operating activities	1,823,610
Investing Activities	
Purchases of property and equipment	(162,606)
Proceeds from disposal of property and equipment	21,085
Net cash used in investing activities	(141,521)
Financing Activities	
Member distributions	(1,283,925)
Payments on notes payable	(536,517)
Net cash used in financing activities	(1,820,442)
Net decrease in cash and cash equivalents	(138,353)
Cash and cash equivalents at beginning of year	546,809
Cash and cash equivalents at end of year	$ 408,456
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	$ 1,031,289
Cash paid during the year for income taxes	$ 26,919
Supplemental Disclosure of Non-Cash Information	
Right-of-use asset assumed through lease liability	$ 781,762

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

A. Nature of Business

Effective November 12, 2021, the owners of Mr. Gatti's Pizza, LLC ("MGP") contributed all assets and liabilities of MGP to Mr. Gatti's Operating, LLC ("MGO") in exchange for 100% of the Class B Units of MGO. As part of the transaction described in Note E, MGO also issued nonparticipating Class A Units on the same day.

MGO and subsidiaries (collectively, the "Company") operate and franchise dining and family entertainment center facilities that offer a wide variety of pizza, pasta, salads, and desserts. The Company's facilities consist of dine-in buffet restaurants and facilities designed specifically for pickup and delivery sales. The Company also has large, high-quality buffet restaurants featuring separate rooms with high-tech redemption and non-redemption games and other attractions for people of all ages.

As of December 31, 2023, there was one Company-owned restaurant and 76 franchise restaurants operating in eight states. The Company-owned restaurant is located in Austin, Texas, and the Company's corporate office is located in Fort Worth, Texas.

B. Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Fiscal Year

The Company's fiscal year is based on a 52/53-week reporting period with the end of the fiscal year ending on the last Sunday of December.

Basis of Accounting

The accounts are maintained and the consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of MGO and MGO's subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

B. Summary of Significant Accounting Policies – continued

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2023, the Company had no such investments. The Company maintains deposits primarily in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not typically bear interest. The Company regularly monitors and assesses its risk of not collecting amounts owed by customers. The Company operates in the franchise dining and family entertainment industry and its accounts receivable are primarily derived from customers. The Company considers accounts receivable balances to be fully collectible; accordingly, no allowance for credit losses has been established at December 31, 2023.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income (or an offset to credit loss expense) in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs was immaterial to the consolidated financial statements as a whole for the year ended December 31, 2023.

Inventories

Inventories consist of food, paper supplies, plush, and uniforms and are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Property and equipment are carried at cost. Depreciation is provided on the straight-line method over the assets' estimated service lives. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lives of the respective leases or the service lives of the improvements. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. Estimated useful lives for property and equipment are five years.

B. Summary of Significant Accounting Policies – continued

Leases

The Company has leases for its office space and Company-owned restaurant. A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets and finance lease right-of-use assets (collectively "ROU assets") represent the Company's right to use an underlying asset for the lease term. Operating lease liabilities and finance lease liabilities (collectively, "lease liabilities") represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

Operating leases are included in right-of-use asset – operating leases and operating lease liabilities on the accompanying consolidated balance sheet.

Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The Company has lease extension terms for the office space that have either been extended or are likely to be extended. The terms used to calculate the ROU assets and lease liabilities for these properties include the renewal options that the Company is reasonably certain to exercise.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company utilizes its incremental borrowing rate in effect at the time of the lease inception. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions, or covenants.

The Company's office lease agreements contain lease and non-lease components, which we account for as a single lease component. For these leases, there may be variability in future lease payments as the amount of non-lease component is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, utilities, taxes, and other related fees that are passed on from the lessor in proportion to the leased space, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Intangible Assets

Intangible assets consist of franchise agreements and trademarks amortized using the straight-line method over their estimated benefit periods of fifteen to twenty years.

B. Summary of Significant Accounting Policies – continued

Long-Lived Assets

The Company evaluates its long-lived assets, including trademarks and franchise agreements, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value and is recorded in the period the determination was made. No impairment was deemed necessary on the assets at December 31, 2023.

Deferred Borrowings Costs

The Company capitalizes incremental costs that are directly attributable to issuing notes payable and amortizes such costs as a non-cash component of interest expense over the term of the related debt. Amounts of unamortized deferred borrowing costs are presented as a direct reduction of long-term debt in the accompanying consolidated balance sheet. At December 31, 2023, unamortized loan costs were approximately $154,000. See Note E for a reconciliation of the total notes payable and deferred borrowing costs.

Revenue Recognition

Food, Beverage, and Amusement Revenue

The Company derives revenue from the sale of food, beverages, and amusement (games and entertainment) at the Company-owned restaurant. The Company recognizes sales revenue upon delivery of food, beverage, and amusement to the customer, net of sales tax.

Franchise and Royalty Revenue

The Company derives revenue from the sale of franchises for an initial franchise fee and future royalties based on a percentage of monthly gross sales in exchange for the license of the intellectual property associated with our brand. Revenue from the upfront franchise fees is recognized at the time of the store opening as the performance obligations are met, which include the construction, preopening, and opening training services. Royalty revenues are recognized in the period earned based on a percentage of monthly gross sales of the franchisees. The Company also derives revenue from a marketing development fee which is based on a percentage of monthly gross sales. The proceeds may be used at management's discretion for marketing and advertising. The Company records revenue once the performance obligations have been met. The opening balances of accounts receivable and contract liabilities at December 26, 2022, were $475,083 and $1,283,125, respectively.

B. Summary of Significant Accounting Policies – continued

Income Taxes

The Company is a pass-through entity for U.S. tax purposes. Under the existing provisions of the Internal Revenue Code, a pass-through entity is exempt from U.S. federal income tax other than tax on certain capital gains and passive income. The income or loss of a pass-through entity is passed through to the owners who include their share of the Company's separately stated items of income, deduction, loss, and credit and their share of non-separately stated income or loss. Accordingly, no provision for U.S. federal income tax has been provided for the accompanying consolidated financial statements since the owners report their share of the Company's taxable income or loss in their income tax returns. Provisions for state taxes are based on the gross profit margin of the Company.

Tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the consolidated financial statements. The tax position is measured as the largest amount of expense that is greater than 50 percent likely to be realized upon settlement. The Company classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense.

Management of the Company has not taken a tax position that, if challenged, would be expected to have a material effect on the consolidated financial statements at December 31, 2023.

At December 31, 2023, tax returns related to 2021 and subsequent remain open to possible examination by the tax authorities. No tax returns are currently under examination by any tax authorities. The Company did not incur any penalties or interest related to its state tax returns for the year ended December 31, 2023.

Under the centralized partnership audit rules effective for tax years beginning after 2017, the Internal Revenue Service ("IRS") assesses and collects underpayments of tax from the partnership instead of from each partner. The partnership may be able to pass the adjustments through to its partners by making a push-out election or, if eligible, by electing out of the centralized partnership audit rules.

The collection of tax from the partnership is only an administrative convenience for the IRS to collect any underpayment of income taxes including interest and penalties. Income taxes on partnership income, regardless of who pays the tax or when the tax is paid, are attributed to the partners. Any payment made by the partnership as a result of an IRS examination will be treated as a distribution from the partnership to the partners in the consolidated financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately $720,000 for the year ended December 31, 2023, and is included within franchise, general and administrative expenses on the consolidated statement of income.

B. Summary of Significant Accounting Policies – continued

Fair Value of Financial Instruments

The Company calculates the fair value of its assets and liabilities, which qualify as financial instruments, and includes this information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of accounts receivable, accounts payable, and accrued expenses approximates the carrying amounts due to the relatively short maturity of these instruments. The carrying value of the notes payable also approximates fair value since these instruments bear a market rate of interest. None of these instruments are held for trading purposes.

Taxes Collected from Customers

In the course of doing business, the Company collects taxes from customers, including but not limited to sales taxes. It is the Company's policy to record these taxes on a net basis in the statement of operations; therefore, the Company does not include the taxes collected as a component of revenues.

New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU" or "standard") 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. Subsequently, the FASB issued several clarifying standard updates to clarify and improve the ASU. These ASUs significantly change how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model that will be based on an estimate of current expected credit loss. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in Topic 326 were accounts receivable.

The Company adopted the standard effective December 26, 2022. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

C. Property and Equipment

Property and equipment consisted of the following at December 31, 2023:

Equipment	$ 544,936
Leasehold improvements	736,514
Furniture and fixtures	177,550
	1,459,000
Less accumulated depreciation	(670,531)
	$ 788,469

Depreciation expense was approximately $232,000 for the year ended December 31, 2023, which is included in depreciation and amortization expense on the accompanying consolidated statement of income.

D. Intangible Assets

Definite-lived intangible assets consist of the following at December 31, 2023:

Franchise agreements	$ 9,848,036
Trademarks	1,973,398
	11,821,434
Less accumulated amortization	(6,493,762)
	$ 5,327,672

Based on the current carrying amount of intangible assets subject to amortization, the estimated amortization expense for each of the succeeding five years and thereafter is as follows:

2024	$ 755,206
2025	755,206
2026	755,206
2027	755,206
2028	755,206
Thereafter	1,551,642
	$ 5,327,672

Amortization expense was approximately $755,000 for the year ended December 31, 2023, which is included in depreciation and amortization expense on the accompanying consolidated statement of income.

E. Notes Payable

On November 12, 2021, the Company entered into a promissory note with TransPecos Bank in the amount of $6,500,000. The note matures in November 2031, bears an interest rate equal to the Prime Rate plus 3.5% per annum with the minimum interest rate being 6.75% per annum, and requires monthly payments that are subject to change beginning on December 12, 2021. The interest rate was equal to 12.00% at December 31, 2023. The note is subject to a prepayment penalty whereby the Company would be obligated to pay a penalty equal to 3% of the principal amount to be prepaid if paid in part or in whole between November 13, 2022 and November 12, 2023, and 1% of the principal amount to be prepaid if paid in part or in whole between November 13, 2023 and November 12, 2024. The note stipulates certain covenants for which the Company must remain in compliance. The Company was in compliance during 2023. At December 31, 2023, the outstanding principal balance was $5,532,847, and there were $154,058 of unamortized deferred borrowing costs that are included as a reduction to notes payable on the accompanying consolidated balance sheet.

As part of this agreement, the Company entered into an additional consideration agreement whereby the Company agrees to pay TransPecos Bank an amount equal to 5% of the net proceeds of a strategic transaction. A strategic transaction shall mean a sale, recapitalization, or other similar transaction involving the Company that results in a change of control. Effective August 18, 2023, the original additional consideration was amended and replaced with a warrant to the holder of the note. See Note F.

On November 12, 2021, the Company entered into another promissory note with one of its franchisees in the amount of $4,000,000. The note bears an interest rate of 9.00% per annum and requires monthly interest payments beginning on December 1, 2021. The outstanding principal amount is due on the two-year anniversary of the note in November 2023. On February 13, 2023, the note was amended to extend the maturity date to November 2025. At December 31, 2023, the outstanding principal balance was $4,000,000.

Maturities of notes payable for the next five years are as follows:

2024	$ 444,465
2025	4,502,800
2026	566,567
2027	638,421
2028	718,213
Thereafter	2,662,381
Total	9,532,847
Less unamortized deferred borrowing costs	154,058
Total	$ 9,378,789

F. Members' Deficit

MGO is authorized to issue twelve million Class A Units and an unlimited number of Class B Units. As of December 31, 2023, there were 12,000,000 Class A Units issued and outstanding and there were 17,000,000 Class B Units issued and outstanding.

Class A Units do not have any voting rights; however, the holders of Class A Units are entitled to a preferred return of 4% per annum, which shall be compounded annually on the unpaid preferred return, and only paid upon declaration by the Board of Directors. The preferred return increases automatically to 9% on November 12, 2026. Such preferred return in arrears approximated $480,000 as of December 31, 2023. The holders of the Class A Units receive first priority for distributions and will be paid their preferred return and capital contribution in full before Class B Unitholders are allowed to participate.

In accordance with the note payable with a franchisee discussed in Note E, MGO issued a warrant to the holder of the note. The warrant allows the holder to obtain up to 2.5% of the fully diluted Class B Units outstanding in exchange for $1,000. The value of the warrant was deemed to be immaterial and, thus, no amounts have been recorded in the accompanying consolidated financial statements.

In accordance with the promissory note with TransPecos Bank discussed in Note E, MGO issued a warrant to the holder of the note. The warrant allows the holder to obtain up to 5.0% of the fully diluted Class B Units outstanding in exchange for $1,000. The value of the warrant was deemed to be immaterial and, thus, no amounts have been recorded in the accompanying consolidated financial statements.

G. Leases

The Company's leases have remaining lease terms of approximately 10 years, some of which may include options to terminate the leases.

The components of lease expense during the year ended December 31, 2023, are as follows:

	2023
Operating lease cost	$ 596,827
Variable lease cost	20,048
Short-term lease cost	47,462

Weighted average lease term and discount rate as of December 31, 2023, are as follows:

	2023
Weighted average remaining lease term (years)	
Operating leases	7.56
Weighted average discount rate	
Operating leases	9.55%

G. Leases – continued

Cash paid during the year ended December 31, 2023, for operating leases is as follows:

	2023
Operating leases	
Operating cash flows	$ 590,633

ROU assets obtained in exchange for lease liabilities during the year ended December 31, 2023, are as follows:

	2023
Operating leases	$ 781,762

Maturities of lease liabilities as of December 31, 2023, are as follows:

	Operating Leases
2024	$ 635,470
2025	641,153
2026	646,837
2027	549,047
2028	417,500
Thereafter	1,565,625
Total lease payments	4,455,632
Less present value discount	(1,260,847)
Lease liabilities	$ 3,194,785

H. Commitments and Contingencies

Litigation

The Company is involved in various suits and claims arising in the normal course of business. In management's opinion, the ultimate outcome of these items will not have a material adverse effect on the Company's results of operations or financial position.

I. Subsequent Events

In preparing the consolidated financial statements, the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through April 16, 2024, the date the consolidated financial statements were available for issuance.

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MR. GATTI'S OPERATING, LLC
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 25, 2022
with Report of Independent Auditors

MR. GATTI'S OPERATING, LLC
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 25, 2022

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REPORT OF INDEPENDENT AUDITORS

To the Owners of
Mr. Gatti's Operating, LLC and subsidiaries

Opinion

We have audited the consolidated financial statements of Mr. Gatti's Operating, LLC and subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheet as of December 25, 2022, and the related consolidated statements of income, members' deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 25, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Whitley Penn LLP

Fort Worth, Texas
April 18, 2023

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 25, 2022

Assets	
Current assets:	
Cash and cash equivalents	$ 546,809
Accounts receivable	475,083
Inventories	43,819
Prepaid expenses and other current assets	293,704
Total current assets	1,359,415
Property and equipment, net	878,607
Right-of-use asset - operating leases	2,189,401
Intangible assets, net	6,082,877
Total assets	$ 10,510,300
Liabilities and Members' Deficit	
Current liabilities:	
Accounts payable	$ 355,424
Accrued expenses	356,756
Due to Mr. Gatti's Pizza, LLC	38,307
Deferred franchise fees	1,283,125
Current portion of operating lease liabilities	261,814
Notes payable, current portion	130,344
Total current liabilities	2,425,770
Accrued rent liability	55,000
Long-term operating lease liabilities, net	2,457,528
Notes payable, net of current portion and deferred borrowing costs	9,773,202
Total liabilities	14,711,500
Commitments and contingencies	
Members' deficit	(4,201,200)
Total liabilities and members' deficit	$ 10,510,300

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

Year Ended December 25, 2022

Revenues:	
Food and beverage revenue, net of discounts	$ 1,888,818
Amusements and other revenue	1,577,794
Franchise royalties and fees	6,200,914
Total revenues, net	9,667,526
Cost of revenues	787,993
Gross profit	8,879,533
Operating expenses:	
Store payroll and benefits	966,047
Non-store operating payroll and benefits	2,534,698
Depreciation and amortization	916,002
Franchise, general, and administrative expenses	2,207,783
Other store operating expenses	679,422
Total operating expenses	7,303,952
Operating income	1,575,581
Other income (expense):	
Other income	545,883
Other expense	(233,971)
Interest expense	(902,158)
Total other expense	(590,246)
Income before state income tax expense	985,335
State income tax expense	81,000
Net income	$ 904,335

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT

Year Ended December 25, 2022

	Equity Bank (Class A)	Mr. Gatti's Pizza, LLC (Class B)	Total
Balance at December 26, 2021	$ 12,000,000	$ (16,832,410)	$ (4,832,410)
Distributions	-	(273,125)	(273,125)
Net income	-	904,335	904,335
Balance at December 25, 2022	$ 12,000,000	$ (16,201,200)	$ (4,201,200)

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 25, 2022

Operating Activities	
Net income	$ 904,335
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	916,002
Non-cash lease expense	240,297
Deferred borrowing costs	45,865
Changes in operating assets and liabilities:	
Accounts receivable	(54,210)
Inventories	(13,375)
Prepaid expenses and other current assets	(29,379)
Due to Mr. Gatti's Pizza, LLC	104,466
Accounts payable and accrued expenses	(550,196)
Deferred franchise fees	438,750
Deferred Restaurant Revitalization Fund grant	(500,000)
Operating lease liability	(260,356)
Net cash provided by operating activities	1,242,199
Investing Activities	
Purchases of property and equipment	(336,780)
Net cash used in investing activities	(336,780)
Financing Activities	
Member distributions	(273,125)
Proceeds from notes payable	19,441
Payments on notes payable	(419,080)
Net cash used in financing activities	(672,764)
Net increase in cash and cash equivalents	232,655
Cash and cash equivalents at beginning of year	314,154
Cash and cash equivalents at end of year	$ 546,809
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	$ 853,302
Cash paid during the year for income taxes	$ 54,625
Supplemental Disclosure of Non-Cash Information	
Right-of-use asset assumed through lease liability	$ 2,429,698

See accompanying notes to consolidated financial statements.

MR. GATTI'S OPERATING, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 25, 2022

A. Nature of Business

Effective November 12, 2021, the owners of Mr. Gatti's Pizza, LLC ("MGP") contributed all assets and liabilities of MGP to Mr. Gatti's Operating, LLC ("MGO") in exchange for 100% of the Class B Units of MGO. As part of the transaction described in Note E, MGO also issued nonparticipating Class A Units on the same day.

MGO and subsidiaries (collectively, the "Company") operate and franchise dining and family entertainment center facilities that offer a wide variety of pizza, pasta, salads, and desserts. The Company's facilities consist of dine-in buffet restaurants and facilities designed specifically for pickup and delivery sales. The Company also has large, high-quality buffet restaurants featuring separate rooms with high-tech redemption and non-redemption games and other attractions for people of all ages.

As of December 25, 2022, there was one Company-owned restaurant and 67 franchise restaurants operating in six states. The Company-owned restaurant is located in Austin, Texas, and the Company's corporate office is located in Fort Worth, Texas.

B. Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Fiscal Year

The Company's fiscal year is based on a 52/53-week reporting period with the end of the fiscal year ending on the last Sunday of December.

Basis of Accounting

The accounts are maintained and the consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of MGO and MGO's subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

B. Summary of Significant Accounting Policies – continued

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 25, 2022, the Company had no such investments. The Company maintains deposits primarily in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Accounts Receivable

Accounts receivable are stated at amounts management expects to collect from outstanding balances. Credit is extended to customers based upon evaluation of the customer's financial condition, and collateral is not required. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 25, 2022, the Company did not have an allowance for doubtful accounts.

Inventories

Inventories consist of food, paper supplies, plush, and uniforms and are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Property and equipment are carried at cost. Depreciation is provided on the straight-line method over the assets' estimated service lives. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lives of the respective leases or the service lives of the improvements. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. Estimated useful lives for property and equipment are five years.

Intangible Assets

Intangible assets consist of franchise agreements and trademarks amortized using the straight-line method over their estimated benefit periods of fifteen to twenty years.

B. Summary of Significant Accounting Policies – continued

Long-Lived Assets

The Company evaluates its long-lived assets, including trademarks and franchise agreements, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value and is recorded in the period the determination was made. No impairment was deemed necessary on the assets at December 25, 2022.

Deferred Borrowings Costs

The Company capitalizes incremental costs that are directly attributable to issuing notes payable and amortizes such costs as a non-cash component of interest expense over the term of the related debt. Amounts of unamortized deferred borrowing costs are presented as a direct reduction of long-term debt in the accompanying consolidated balance sheet. At December 25, 2022, unamortized loan costs were approximately $166,000. See Note E for a reconciliation of the total notes payable and deferred borrowing costs.

Revenue Recognition

Food, Beverage, and Amusement Revenue

The Company derives revenue from the sale of food, beverages, and amusement (games and entertainment) at the Company-owned restaurant. The Company recognizes sales revenue upon delivery of food, beverage, and amusement to the customer, net of sales tax.

Franchise and Royalty Revenue

The Company derives revenue from the sale of franchises for an initial franchise fee and future royalties based on a percentage of monthly gross sales in exchange for the license of the intellectual property associated with our brand. Revenue from the upfront franchise fees is recognized at the time of the store opening as the performance obligations are met, which include the construction, preopening, and opening training services. Royalty revenues are recognized in the period earned. The Company also derives revenue from a marketing development fee which is based on a percentage of monthly gross sales. The proceeds may be used at management's discretion for marketing and advertising. The Company records accounts receivable once the performance obligations have been met. The opening balances of accounts receivable and contract liabilities at December 27, 2021 were $331,855 and $1,478,597, respectively.

B. Summary of Significant Accounting Policies – continued

Income Taxes

The Company is a pass-through entity for U.S. tax purposes. Under the existing provisions of the Internal Revenue Code, a pass-through entity is exempt from U.S. federal income tax other than tax on certain capital gains and passive income. The income or loss of a pass-through entity is passed through to the owners who include their share of the Company's separately stated items of income, deduction, loss, and credit and their share of non-separately stated income or loss. Accordingly, no provision for U.S. federal income tax has been provided for the accompanying financial statements since the owners report their share of the Company's taxable income or loss in their income tax returns. Provisions for state taxes are based on the gross profit margin of the Company.

Tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the financial statements. The tax position is measured as the largest amount of expense that is greater than 50 percent likely to be realized upon settlement. The Company classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense.

Management of the Company has not taken a tax position that, if challenged, would be expected to have a material effect on the financial statements at December 25, 2022.

At December 25, 2022, tax returns related to 2019 and subsequent remain open to possible examination by the tax authorities. No tax returns are currently under examination by any tax authorities. The Company did not incur any penalties or interest related to its state tax returns for the year ended December 25, 2022.

Under the centralized partnership audit rules effective for tax years beginning after 2017, the Internal Revenue Service ("IRS") assesses and collects underpayments of tax from the partnership instead of from each partner. The partnership may be able to pass the adjustments through to its partners by making a push-out election or, if eligible, by electing out of the centralized partnership audit rules.

The collection of tax from the partnership is only an administrative convenience for the IRS to collect any underpayment of income taxes including interest and penalties. Income taxes on partnership income, regardless of who pays the tax or when the tax is paid, are attributed to the partners. Any payment made by the partnership as a result of an IRS examination will be treated as a distribution from the partnership to the partners in the consolidated financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately $468,000 for the year ended December 25, 2022, and is included within franchise, general and administrative expenses on the consolidated statement of income.

B. Summary of Significant Accounting Policies – continued

Fair Value of Financial Instruments

The Company calculates the fair value of its assets and liabilities, which qualify as financial instruments, and includes this information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of accounts receivable, accounts payable, and accrued expenses approximates the carrying amounts due to the relatively short maturity of these instruments. The carrying value of the notes payable also approximates fair value since these instruments bear a market rate of interest. None of these instruments are held for trading purposes.

Taxes Collected from Customers

In the course of doing business, the Company collects taxes from customers, including but not limited to sales taxes. It is the Company's policy to record these taxes on a net basis in the statement of operations; therefore, the Company does not include the taxes collected as a component of revenues.

New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company elected the package of practical expedients permitted under the transition guidance, allowing the Company to carry forward conclusions related to: (a) whether expired or existing contracts contain leases; (b) lease classification; and (c) initial direct costs for existing leases. The Company has elected not to record operating lease ROU assets or lease liabilities associated with leases with durations of 12 months or less. The Company elected the practical expedient allowing aggregation of non-lease components with related lease components when evaluating the accounting treatment for all classes of underlying assets.

The Company adopted this standard effective December 27, 2021, using the modified retrospective approach. In transitioning to ASC 842, the Company elected to use the practical expedient package available at the time of implementation and did not elect to use hindsight. These elections have been applied consistently to all leases existing at, or entered into after, December 27, 2021 (the beginning of the period of adoption). As a result of the adoption of the new lease accounting guidance, we recognized on December 27, 2021, an ROU asset and lease liability of approximately $314,000. The standard did not materially impact our consolidated net income and had no impact on cash flows.

C. Property and Equipment

Property and equipment consisted of the following at December 25, 2022:

Equipment	$ 462,772
Leasehold improvements	732,459
Furniture and fixtures	122,248
	1,317,479
Less accumulated depreciation	(438,872)
	$ 878,607

Depreciation expense was approximately $161,000 for the year ended December 25, 2022, which is included in depreciation and amortization expense on the accompanying consolidated statement of income.

D. Intangible Assets

Definite-lived intangible assets consist of the following at December 25, 2022:

Franchise agreements	$ 9,848,036
Trademarks	1,973,398
	11,821,434
Less accumulated amortization	(5,738,557)
	$ 6,082,877

Based on the current carrying amount of intangible assets subject to amortization, the estimated amortization expense for each of the succeeding five years and thereafter is as follows:

2023	$ 755,206
2024	755,206
2025	755,206
2026	755,206
2027	755,206
Thereafter	2,306,847
	$ 6,082,877

Amortization expense was approximately $755,000 for the year ended December 25, 2022, which is included in depreciation and amortization expense on the accompanying consolidated statement of income.

E. Notes Payable

On November 12, 2021, the Company entered into a promissory note with TransPecos Bank in the amount of $6,500,000. The note matures in November 2031, bears an interest rate equal to the Prime Rate plus 3.5% per annum with the minimum interest rate being 6.75% per annum, and requires monthly payments of $63,452 beginning on December 12, 2021. The interest rate was equal to 10.50% at December 25, 2022. The note is subject to a prepayment penalty whereby the Company would be obligated to pay a penalty equal to 5% of the principal amount to be prepaid if paid in part or in whole on or before November 12, 2022, 3% of the principal amount to be prepaid if paid in part or in whole between November 13, 2022 and November 12, 2023, and 1% of the principal amount to be prepaid if paid in part or in whole between November 13, 2023 and November 12, 2024. The note stipulates certain covenants for which the Company must remain in compliance beginning on March 31, 2022. The Company was in compliance during 2022. At December 25, 2022, the outstanding principal balance was $6,069,364, and there was $165,818 of unamortized deferred borrowing costs that are included as a reduction to notes payable on the accompanying consolidated balance sheet.

As part of this agreement, the Company entered into an additional consideration agreement whereby the Company agrees to pay TransPecos Bank an amount equal to 5% of the net proceeds of a strategic transaction. A strategic transaction shall mean a sale, recapitalization, or other similar transaction involving the Company that results in a change of control.

On November 12, 2021, the Company entered into another promissory note with one of its franchisees in the amount of $4,000,000. The note bears an interest rate of 9.00% per annum and requires monthly interest payments beginning on December 1, 2021. The outstanding principal amount is due on the two-year anniversary of the note in November 2023. On February 13, 2023, the note was amended to extend the maturity date to November 2025. At December 25, 2022, the outstanding principal balance was $4,000,000.

Maturities of notes payable for the next five years are as follows:

2023	$ 130,344
2024	142,867
2025	4,160,453
2026	178,135
2027	197,766
Thereafter	5,259,799
Total	10,069,364
Less unamortized deferred borrowing costs	165,818
Total	$ 9,903,546

F. Members' Deficit

MGO is authorized to issue twelve million Class A Units and an unlimited number of Class B Units. As of December 25, 2022, there were 12,000,000 Class A Units issued and outstanding and there were 17,000,000 Class B Units issued and outstanding.

Class A Units do not have any voting rights; however, the holders of Class A Units are entitled to preferred return of 4% per annum, which shall be compounded annually on the unpaid preferred return, and only paid upon declaration by the Board of Directors. The preferred return increases automatically to 9% on November 12, 2026. Such preferred return in arrears approximated $533,000 at December 25, 2022. The holders of the Class A Units receive first priority for distributions and will be paid their preferred return and capital contribution in full before Class B Unitholders are allowed to participate.

In accordance with the note payable with a franchisee discussed in Note E, MGO issued a warrant to the holder of the note. The warrant allows the holder to obtain up to 2.5% of the fully diluted Class B Units outstanding in exchange for $1,000. The value of the warrant was deemed to be immaterial and, thus, no amounts have been recorded in the accompanying consolidated financial statements.

G. Leases

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets and finance lease right-of-use assets (collectively "ROU assets") represent the Company's right to use an underlying asset for the lease term. Operating lease liabilities and finance lease liabilities (collectively, "lease liabilities") represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

The Company has leases for its office and restaurant spaces. These leases are classified as operating leases. The restaurant lease also includes a tenant improvement allowance up to $550,000. Through December 25, 2022, the Company utilized the full $550,000 to make tenant improvements.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company utilizes its secured borrowing rate. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions, or covenants.

G. Leases – continued

Total operating lease costs were approximately $313,000 for the year ended December 31, 2022. Short-term lease costs, for leases with terms of less than 12 months, and variable lease cost during 2022 were approximately $266,000. Cash paid during 2022 for operating leases totaled approximately $333,000. ROU assets obtained in exchange for lease liabilities during 2022 totaled approximately $2,430,000.

Maturities of lease liabilities as of December 31, 2022, are as follows:

	Operating Leases
2023	$ 490,382
2024	392,500
2025	392,500
2026	392,500
2027	398,750
Thereafter	1,983,125
Total lease payments	4,049,757
Less present value discount	(1,330,415)
Lease liabilities	$ 2,719,342

Weighted average lease term and discount rate as of December 31, 2022, are as follows:

	2022
Weighted average remaining lease term (years)	9.44
Weighted average discount rate	9.00%

H. Commitments and Contingencies

Litigation

The Company is involved in various suits and claims arising in the normal course of business. In management's opinion, the ultimate outcome of these items will not have a material adverse effect on the Company's results of operations or financial position.

H. Commitments and Contingencies – continued

Restaurant Revitalization Grant

The American Rescue Plan Act established the Restaurant Revitalization Fund to provide funding to help restaurants and other eligible businesses keep their doors open. Recipients are not required to repay the funding as long as funds are used for eligible uses no later than March 11, 2023. In June 2021, MGP applied for the grant on behalf of MGO and was approved for $5,000,000.

As of December 26, 2021, MGO had used $4,500,000 of the funds received on eligible uses. The remaining balance of $500,000 was used during the year ended December 25, 2022, and is included in other income in the accompanying consolidated statement of income.

I. Subsequent Events

In preparing the consolidated financial statements, the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through April 18, 2023, the date the consolidated financial statements were available for issuance.

GENERAL RELEASE

EXHIBIT G

The following is our current general release form that we expect a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify this release language.

GENERAL RELEASE

Facility: [Address] ("[Identifier]")

This General Release dated [Date] (the "Effective Date"), is made and entered into by and between Mr. Gatti's Operating, LLC ("Franchisor"), [Franchisee Entity] ("Franchisee"), and [Franchisee Principal(s)] (each an individual, and collectively, "Guarantor[s]") (collectively, Franchisor, Franchisee and Guarantor[s] are the "Parties").

Recitals

The Parties are parties to a Franchise Agreement, with related exhibits, attachments, and addendums (the "Old Franchise Agreement") dated [Date], for a Mr. Gatti's Pizza Facility location at:

[Address], referred to herein as "[Identifier]" (the "Facility");

The rights, duties and obligations related to the Facility granted under the Old Franchise Agreement are referred to herein as the "Franchise";

[Franchisor, Franchisee and Guarantors have agreed to renew and extend Franchisee's rights and obligations with respect to the Franchise and Facility pursuant to the terms and conditions of the Renewal Franchise Agreement, executed concurrently with this General Release, which shall supersede the Old Franchise Agreement, except for those terms in the Old Franchise Agreement which expressly survive termination] [Franchisor has agreed to permit a transfer or assignment of the Franchise pursuant to a Transfer Agreement and Consent, executed concurrently with this General Release]; and

Franchisee and Guarantors acknowledge and agree that as a condition to Franchisor's execution of the [Renewal Franchise Agreement] [Transfer Agreement and Consent], Franchisor requires that Franchisee and Guarantors release all claims that each of them may have against Franchisor relating to the Franchise, the Old Franchise Agreement, or the Facility.

Agreement

NOW THEREFORE, Franchisee and Guarantors, each intending to be legally bound, do agree as follows:

1. Recitals. All recitals stated above are incorporated herein.

2. Release of Franchisor and Related Parties. Franchisee and Guarantors, for themselves and on behalf of their current and former owners, officers, directors, shareholders, partners, investors, members, managers, affiliates, agents, attorneys, representatives, predecessors, successors and assigns (collectively, the "Franchisee Releasing Parties"), absolutely and unconditionally waive, release and forever discharge Franchisor, and its current and former owners, officers, directors, shareholders, partners, investors, members, managers, affiliates, agents, attorneys, representatives, predecessors, successors and assigns (collectively, the "Franchisor Released Parties"), from all claims, demands, obligations, liabilities, actions, and causes of actions whatsoever, in law or equity, that any Franchisee Releasing Party has, ever had or may in the future have arising under or related to the Old Franchise Agreement, the Franchise, the Facility, or any other related or unrelated agreements, matters, dealings, or relationships between Franchisor

Released Parties and the Franchisee Releasing Parties, whether known or unknown, asserted or unasserted, that occurred on or before the Effective Date.

3. Covenant Not to Sue. Franchisee Releasing Parties are not to commence any proceeding of any nature against the Franchisor Released Parties based on any claim, demand, obligation, liability, action, and causes of action whatsoever, in law or equity, that has been released pursuant to Section 2 above. Franchisee Releasing Parties represent and warrant that they have not assigned, transferred, or otherwise conveyed to anyone any claim related to the claims described in Section 2 that may now or subsequently be asserted against the Franchisor Released Parties. If Franchisee Releasing Parties, in whole or in part, sue Franchisor Released Parties, in whole or in part, in violation of this Section, Franchisee Releasing Parties, jointly and severally, shall be liable to Franchisor Released Parties for Franchisor Released Parties' reasonable attorneys' fees and other litigation costs incurred in defending against such suit.

4. **CONTINUING INDEMNIFICATION OBLIGATIONS. FRANCHISEE AND GUARANTORS HEREBY RATIFY AND CONFIRM THEIR CONTINUING INDEMNIFICATION OBLIGATIONS UNDER THE OLD FRANCHISE AGREEMENT RELEATED TO ANY AND ALL CLAIMS, DEMANDS, OBLIGATIONS, LIABILITIES, ACTIONS, CAUSES OF ACTIONS, LAWSUITS, AND ASSOCIATED EXPENSES (INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES), AND AWARDS AGAINST THE FRANCHISOR RELEASED PARTIES RESULTING FROM OR ARISING IN CONNECTION WITH ANY MATTERS RELATING TO THE OLD FRANCHISE AGREEMENT, THE FRANCHISE, THE FACILITY, OR ANY OTHER MATTERS, DEALINGS, OR RELATIONSHIPS BETWEEN THE FRANCHISEE RELEASING PARTIES AND THE FRANCHISOR RELEASED PARTIES, WHETHER KNOWN OR UNKNOWN, ASSERTED OR UNASSERTED, IN LAW OR EQUITY, THAT OCCURRED ON OR BEFORE THE EFFECTIVE DATE.**

5. Independent Counsel/Voluntary Action. Franchisee and Guarantors represent and warrant that each of them has consulted with independent legal counsel and other professional advisors of their choice with respect to this General Release and has concluded on its, his, or her own behalf that the provisions of this General Release serves its, his, or her own best interests. Franchisee and Guarantors confirm that it, he, or she voluntarily entered into this General Release of its, his, or her own free will and volition and without undue pressure or influence from any source or reliance on any representation or statement of any kind that is not set forth or expressly referred to in this General Release.

6. Headings. Headings of the sections and subsections of this General Release are inserted for convenience only and shall not control or affect the meaning, construction, or effect of this General Release or any of the provisions hereof.

7. Complete Agreement between the Parties. This General Release constitutes the entire, full, and complete agreement between the Parties concerning the subject matter hereof, and supersedes all prior agreements and communications, if any, concerning the subject matter hereof. No other representations have induced the Parties to execute this General Release. The Parties agree that they have not relied upon anything other than the words of this General Release in deciding whether to enter into this General Release.

8. Amendments, Modifications, other Variances. No amendment, change, modification, or variance from this General Release shall be binding on either party unless made in writing and agreed to in writing by all of the Parties hereto.

9. Severability; Enforceability. Each provision of this General Release shall be considered severable. If one or more of the provisions contained in this General Release shall be determined to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not

affect any other provision thereof, and this General Release shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

10. Counterpart Execution; Facsimile Signatures. This General Release may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument. Counterparts exchanged by Facsimile, Electronic mail, PDF, or via other means, shall constitute an enforceable original and shall be considered effective for execution purposes. Each party providing signatures via Facsimile, Electronic mail, PDF, or via other means, shall forward to Franchisor an originally executed signature page within five business days following Franchisor's receipt of the facsimile signature.

11. Electronic Signatures. Any signature hereto or to any other certificate, agreement or document related to this transaction, and any contract formation or record-keeping through electronic means shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law.

12. Governing Law; Jurisdiction and Venue. This General Release will be governed by and interpreted under the laws of the State of Texas, without regard to conflicts of law principles. The Parties hereby consent and waive all objections to the non-exclusive personal jurisdiction of, and venue in, the state and federal courts located in Fort Worth, Tarrant County, Texas, for the purposes of all cases and controversies involving this General Release and its enforcement.

[Remainder of page intentionally left blank]
[Execution page to follow]

IN WITNESS WHEREOF, each of the parties hereto have caused this General Release to be executed as of the Effective Date.

FRANCHISOR:

MR. GATTI'S OPERATING, LLC,
a Delaware limited liability company

By: _____
Printed Name: _____
Title: _____

FRANCHISEE:

[FRANCHISEE ENTITY NAME],
a [ ]

By: _____
Printed Name: _____
Title: _____

GUARANTOR[S]:

By: _____
Printed Name: _____

STATE ADMINISTRATORS

ATTACHMENT A

STATE ADMINISTRATORS

CALIFORNIA
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: http://www.dfpi.ca.gov/
Email: Ask.DFPI@dfpi.ca.gov

HAWAII
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(312) 814-3892

INDIANA
Indiana Secretary of State
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

MICHIGAN
Department of the Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, MI 48913

MINNESOTA
Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(612) 296-6328

NEW YORK
Bureau of Investor Protection and Securities
Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

NORTH DAKOTA
North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND 58505-0510
701-328-4712

RHODE ISLAND
Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 222-3048

SOUTH DAKOTA
Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501
(605) 773-4013

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

WASHINGTON
Securities Division,
Department of Financial Institutions
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8760

WISCONSIN
Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-8559

AGENTS FOR SERVICE OF PROCESS

ATTACHMENT B

Agents for Service of Process

CALIFORNIA
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: http://www.dfpi.ca.gov/
Email: Ask.DFPI@dfpi.ca.gov

HAWAII
Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA
Indiana Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

MARYLAND
Securities Commissioner
Office of the Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Department of Labor & Economic Growth
Corporations and Securities Bureau
611 Ottawa Street
Lansing, Michigan 48909

MINNESOTA
Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

NEW YORK
Secretary of State of the State of New York
41 State Street
Albany, New York 11231

NORTH DAKOTA
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND 58505-0510
701-328-4712

OREGON
Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND
Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA
Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501
(605) 773-4013

VIRGINIA
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Director of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98504

WISCONSIN
Commissioner of Securities
Division of Securities
Department of Financial Institutions
345 W. Washington Avenue, 4th Floor
Madison, Wisconsin 53703

State Effective Dates

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

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

State	Effective Date
California	Not Applicable
Hawaii	Not Applicable
Illinois	Not Applicable
Indiana	Pending
Maryland	Not Applicable
Michigan	Pending
Minnesota	Not Applicable
New York	Not Applicable
North Dakota	Not Applicable
Rhode Island	Not Applicable
South Dakota	Not Applicable
Virginia	Not Applicable
Washington	Not Applicable
Wisconsin	Pending

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

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mr. Gatti's Operating, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Mr. Gatti's Operating, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or make any consideration that relates to the franchise relationship. Connecticut and Michigan requires that Mr. Gatti's Operating, LLC 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. Iowa and Maine require that Mr. Gatti's Operating, LLC give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale.

If Mr. Gatti's Operating, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement, or a material omission, we may have committed a violation of federal or state law which you should report to the Federal Trade Commission, Washington, D.C. 20580 or the appropriate state agency listed in Attachment A.

The franchise sellers are: R.J. Phillips, Jr., Kyle C. Mann, Travis Smith, Scott McIntosh, and Ryan Morris, all at 550 Bailey Ave., Suite 650, Fort Worth, Texas 76107; and the following persons (if any): _____ _____.

Issuance Date: April 17, 2025

I have received a Mr. Gatti's Franchise Disclosure Document dated April 17, 2025. State registration effective dates are listed on the State Registrations page. This Disclosure Document included the following Exhibits and Attachments:

EXHIBIT A	Applicant Confidentiality Agreement
EXHIBIT B	Development Agreement
EXHIBIT C	Franchise Agreement
EXHIBIT D	List of Franchised Mr. Gatti's Pizza Facilities
EXHIBIT E	List of Franchisees That Have Left the System in the Last Fiscal Year
EXHIBIT F	Financial Statements
EXHIBIT G	General Release

ATTACHMENT A	State Administrators
ATTACHMENT B	Agents for Service of Process

Dated:_____

_____
Individually and as an Officer
of_____
(a_____ Corporation, Partnership, Limited Liability Company)

This FDD Receipt is related to a proposed Mr. Gatti's DELCO to be developed in

_____

(insert location/general area).

KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mr. Gatti's Operating, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Mr. Gatti's Operating, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or make any consideration that relates to the franchise relationship. Connecticut and Michigan requires that Mr. Gatti's Operating, LLC 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. Iowa and Maine require that Mr. Gatti's Operating, LLC give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale.

If Mr. Gatti's Operating, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement, or a material omission, we may have committed a violation of federal or state law which you should report to the Federal Trade Commission, Washington, D.C. 20580 or the appropriate state agency listed in Attachment A.

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EXHIBIT G	General Release

ATTACHMENT A	State Administrators
ATTACHMENT B	Agents for Service of Process

Dated:_____

_____
Individually and as an Officer of _____
(a_____ Corporation, Partnership, Limited Liability Company)

This FDD Receipt is related to a proposed Mr. Gatti's DELCO to be developed in

_____

(insert location/general area).

Please sign this copy of the receipt, date your signature and return it to:
Mr. Gatti's Operating, LLC, Legal Department
P.O. Box 470726, Fort Worth, Texas 76147