



## FRANCHISE DISCLOSURE DOCUMENT

Mountain Mike's Pizza, LLC  
A Delaware limited liability company  
110 Theory, Suite 150  
Irvine, CA 92617  
(949) 200-7932  
[www.mountainmikespizza.com](http://www.mountainmikespizza.com)  
[www.mountainmikesfranchise.com](http://www.mountainmikesfranchise.com)

The franchise offered is to operate a “MOUNTAIN MIKE’S®” Pizza Restaurant selling pizza, sandwiches, salads, and other food products and services for dine in, delivery and carryout.

We offer 2 franchise programs:

1. A single Mountain Mike's® Pizza Restaurant. The total investment necessary to begin operation of a Mountain Mike's® Pizza Restaurant ranges from \$476,500 to \$982,611. This includes \$23,000 to \$38,000 that must be paid to the franchisor or its affiliate.
2. Multi-Unit development of a minimum of 3 Mountain Mike's® Pizza Restaurants, within a defined area pursuant to an Area Development Agreement. The total investment necessary begin operation under an Area Development Agreement ranges from \$487,750 to \$1,041,361 which includes the establishment of your first Mountain Mike's® Pizza Restaurant but does include not the cost for establishing 3 Mountain Mike's® Pizza Restaurants. This includes \$23,000 to \$38,000 that must be paid to the franchisor or its affiliate, plus \$15,000 for the second location, and \$7,500 for the third and all subsequent locations that you agree to develop.

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 Mountain Mike's Pizza, LLC, 110 Theory, Suite 150, Irvine, CA 92617, (949) 200-7932.

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

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

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

Issuance date of this Franchise Disclosure Document: April 23, 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	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 H and J.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Mountain Mike's® Pizza business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement and area development agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Mountain Mike's® Pizza franchisee?</b>	Item 20 or Exhibits H and J list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California than in your own state.

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

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM.

## **Item 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

“MMP” means the franchisor, Mountain Mike’s Pizza, LLC. “You” means the person to whom MMP grants a franchise. If you are a corporation, limited liability company, or other entity, all of your owners must sign MMP’s “Guaranty and Assumption of Obligations,” which means all provisions of MMP’s Franchise Agreement (Exhibit B) and Area Development Agreement (Exhibit E) also will apply to your owners. (See Item 15)

MMP is a Delaware limited liability company organized on February 22, 2017. Its principal business address is 110 Theory, Suite 150, Irvine, CA 92617. If MMP has an agent in your state for service of process, MMP discloses that agent in Exhibit F. MMP operates under its corporate name and the service marks “Mountain Mike’s®” Pizza and associated logo (the “Marks”) and no other name. (See Item 13)

MMP’s predecessor is Concept Acquisitions, LLC (“COAC”), a California limited liability company with its principal business address at 326 Evansdale Road, Lake Mary, Florida 32746. COAC offered franchises for restaurants operating under the “Mountain Mike’s® Pizza” name from approximately June 2000 to April 4, 2017, the date when MMP acquired substantially all of COAC’s assets under an Asset Purchase Agreement (the “Transaction”). (MMP calls these restaurants, which are offered through this disclosure document, “Mountain Mike’s® Pizza Restaurants”; in this disclosure document, MMP calls your prospective Mountain Mike’s® Pizza Restaurant the “Restaurant.”) COAC also offered franchises for Mountain Mike’s® development agent rights (which MMP offers through a separate disclosure document) on and off between 2004 and 2006, September 2010 and January 2011 and August 2016 and the date the Transaction closed.

When the Transaction closed, MMP became a wholly owned subsidiary of MMP Intermediate, LLC (“MMPIL”). MMPIL is a wholly owned subsidiary of MM Pizza Holdings, LLC (“MMPH”), and MMPH is a wholly owned subsidiary of MM Pizza Upper Holdings, LLC (“MMPUH”). MMPIL and MMPH are Delaware limited liability companies, MMPUH is a Delaware limited liability company, and each of their principal business address is 110 Theory, Suite 150, Irvine, CA 92617.

Through common control with MMP’s Principal Owners and Co-Chairmen, Chris L. Britt and Edmond F. St. Geme, MMP is affiliated with SJB Brands, LLC (“SJB”), the franchisor of JUICE IT UP® juice bars. JUICE IT UP® juice bars feature fresh squeezed and cold-pressed bottled juices, smoothies and smoothie bowls, superfruit bowls, and complimentary snacks and beverages. SJB has been offering franchises for JUICE IT UP® juice bars since February 2018. As of December 31, 2024, there were 92 franchised JUICE IT UP® juice bars in operation in the United States. SJB has never offered franchises in any other line of business. SJB’s principal business address is 110 Theory, Suite 150, Irvine, CA 92617.

MMP wholly owns MMP Regional Promotion Fund Inc. (“MMP Regional Fund”) and MMP National Promotion Fund Inc. (“MMP National Fund”), both with principal business addresses at 110 Theory, Suite 150, Irvine, CA 92617. MMP Regional Fund currently maintains and administers each regional advertising Cooperative’s account and MMP National Fund currently maintains and administers the national Marketing Fund (see Item 11). Other than MMP



Regional Fund and MMP National Fund, MMP has no affiliates that provide products or services to MMP's franchisees.

Except as described above, MMP has no other parents, predecessors of affiliates that must be included in this Item.

### **The Franchise Offered**

MMP grants franchises for Mountain Mike's® Pizza Restaurants. Mountain Mike's® Pizza Restaurants feature pizza but also sell other food products. You will offer most of your food products and services at the Restaurant itself, although you may provide catering and certain delivery services away from the Restaurant's premises if MMP approves you to offer catering and delivery services.

MMP allows certain past and current franchisees to represent it as development agents within defined geographic areas. If you are not a development agent, MMP may have a development agent perform some or all of the training and provide other assistance you need to operate your Restaurant. However, MMP must make sure the development agent performs its obligations.

If you are renewing your Restaurant's franchise because its initial term has expired or will soon expire, you will sign MMP's Renewal Rider to Franchise Agreement (Exhibit K), which modifies certain provisions in the Franchise Agreement that do not apply to you because your Restaurant already is open.

We also may grant multi-unit development rights to qualified franchisees, who then will have the right to develop a number of Mountain Mike's® Pizza Restaurants within a defined area (the "Area") over a specific time period or according to a pre-determined development schedule. These franchisees may open and operate Mountain Mike's® Pizza Restaurants directly or through controlled affiliates. Our Area Development Agreement is attached as Exhibit E. You must sign our then-current form of franchise agreement for each Mountain Mike's® Pizza Restaurant you develop pursuant to our Area Development Agreement.

MMP has offered franchises for Mountain Mike's® Pizza Restaurants since the Transaction closed on April 4, 2017. MMP currently does not operate any Mountain Mike's® Pizza Restaurants.

MMP has offered franchises for Mountain Mike's® development agent rights since the Transaction closed on April 4, 2017, and uses a separate franchise disclosure document for that franchise offering. A development agent acts as a sales representative within a defined territory to solicit and identify prospective franchisees, to assist in locating and securing sites for Mountain Mike's® Pizza Restaurants within that territory, and to provide additional support before, during, and after the Restaurants open. The development agent performs those functions at MMP's direction and operates under MMP's Development Agent Agreement. As of the date of this Disclosure Document, there are 2 development agents in operation. MMP never has operated any Mountain Mike's® development agent businesses. MMP does not have other business activities and has not offered franchises in other lines of business.

## **Competition and Industry Regulations**

You will compete with other “pizza restaurants,” fast food restaurants, full-service restaurants, grocery and specialty stores, and similar businesses selling pizza and competitive food products. You will offer your products and services to the general public throughout the year. The market for pizza and restaurant services generally is well developed and competitive in most parts of the country, although MMP believes its product quality distinguishes it from other restaurants.

There are no regulations specific to the industry in which Mountain Mike’s® Pizza Restaurants operate, although you must comply with all local, state, and federal health and sanitation laws that apply to restaurant operations and laws that apply generally to all businesses. In order to sell beer and wine at your Restaurant, you must obtain a liquor license or other authorization from the appropriate government authority and comply with all federal, state, and local alcoholic beverage laws. You should investigate all of these laws.

## **Item 2** **BUSINESS EXPERIENCE**

### **Principal Owner and Co-Chairman: Chris L. Britt**

Mr. Britt has been a Principal Owner and Co-Chairman of MMP since October 2023. From April 2017 until October 2023, Mr. Britt was a Co-Chief Executive Officer and Director of MMP. Mr. Britt has also been the Managing Member of Britt Private Capital, LLC since April 2017, a Managing Partner of Marwit Capital, Marwit Investment Management, LLC and related entities since 1994, and the Co-Chairman and Chief Financial Officer of SJB Brands, LLC (d/b/a JUICE IT UP®) since February 2018. All positions are based in Newport Beach, California.

### **Principal Owner and Co-Chairman: Edmond F. St. Geme**

Mr. St. Geme has been a Principal Owner and Co-Chairman of MMP since October 2023. From April 2017 until October 2023, Mr. Geme was a Co-Chief Executive Officer and Director of MMP. Mr. St. Geme has also been the Co-Chairman and Treasurer of SJB Brands, LLC (d/b/a JUICE IT UP®) since February 2018, the Managing Member of Jupiter B-III LLC since May 2019, the Managing Member of Jupiter B-IV LLC since November 2021 and the Managing Member of Jupiter Holdings LLC since October 1997. All positions are based in Newport Beach, California.

### **Chief Executive Officer: Jim Metevier**

Mr. Metevier has been MMP’s Chief Executive Officer since October 2023. From September 2018 to October 2023, he was MMP’s President and Chief Operating Officer. All positions held with MMP are based in Irvine, California. From August 2015 to September 2016, he served as President for Biscuitville, Inc., based in Greensboro, North Carolina, and from June 1992 to April 2014, he served as Chief Operating Officer and in various other roles for Yum Brands, Inc., based in Louisville, Kentucky.

Chief Marketing Officer: Carol DeNembo

Ms. DeNembo has been MMP's Chief Marketing Officer since January 2024. From August 2018 to January 2024, she was Vice President of Marketing of MMP. From May 2018 to August 2018, she was a consultant for MMP. All positions held with MMP are based in Irvine, CA. From April 2015 to March 2018, she was Balboa Brands, Inc.'s Vice President of Business Development, from November 2014 to March 2016, she was Balboa Brands, Inc.'s Vice President of Marketing, and from February 2010 to November 2014, she was Balboa Brands, Inc.'s Sr. Director of Business Development & Marketing. All positions with Balboa Brands, Inc. were based in Irvine, California.

Chief Operations Officer: Steven Adyani

Mr. Adyani has served as our Chief Operations Officer since October 2024 based in Irvine, California. From March 2020 to October 2024, he was our Vice President of Operations since March 2020 based in Newport Beach, California. From September 2018 to February 2020, he was the General Manager of The Guild Hotel in San Diego, California. From December 2016 to January 2018, he was Vice President of Operations for Gordon Ramsay Restaurants in London, England. From November 2014 to May 2016, Mr. Adyani was Vice President of Restaurants for the Compass Group in Chicago, Illinois.

Vice President, Development: Garrett Snyder

Mr. Snyder has served as our Vice President, Development since July 2020 based in Irvine, California. From January 2018 to April 2020, he was Director of Real Estate for Blaze Pizza, LLC in Pasadena, California. From March 2013 to December 2017, he was Director of Real Estate for Nekter Juice Bar Inc. in Santa Ana, California.

Vice President, Finance: Ryan Lulow

Mr. Lulow has served as our Vice President, Finance since December 2021. From December 2020 to December 2021 he was our Controller. All positions held with MMP are based in Irvine, California. From January 2019 to December 2020, he was a consultant for Total Training Fitness in Laguna Hills, California. From June 2016 to June 2018, he was Corporate Controller for Patriot Environmental Services in Wilmington, California.

Vice President of Franchise Development: Robert Campos

Mr. Campos has served as our Vice President of Franchise Development since January 2024 based in Buckeye, Arizona. From October 2018 to January 2024, he was Vice President of Franchise Sales for Robeks Franchise Corp. in Los Angeles, California.

Director, Legal and Franchise Administration: Amanda Elliott

Ms. Elliott has been our Director, Legal and Franchise Administration since January 2025 and is based in Irvine, California. From December 2022 to January 2025, she was our Director of

Development based in Irvine, CA. From January 2020 to December 2022, she was our Restaurant Development Manager. From January 2019 to December 2019, she was our Franchise Development Lead and from September 2018 to December 2019 she was our Executive Assistant. From May 2015 to December 2022, she was a consultant for Jupiter Holdings LLC. All her prior positions were based in Newport Beach, California.

Development Agent: Maddox Development, Inc.

Maddox Development, Inc. (“MDI”), a California corporation, has been a Mountain Mike’s® Pizza development agent in northern California since November 1995. MDI’s principals are John and Ann Maddox who, since 1992, have operated Restaurants in Modesto and Oakdale, California. They currently operate 9 Restaurants. Mr. Maddox also has been President of Maddox Resources, Inc. in Modesto, California since 1996.

Development Agent: North Bay Franchise Management, Inc.

North Bay Franchise Management, Inc. (“NBFM”), a California corporation, has been a Mountain Mike’s® Pizza development agent in Northern California since June 2014. NBFM’s principals are Bhupinder (Sonu) Singh and Ranjit Kaur. Mr. Singh has been Owner/General Manager of Santa Rosa Chandi Family Inc. in Santa Rosa, California since 2009. Mr. Kaur also has been Owner/General Manager of Santa Rosa Chandi Family Inc. since June 2010. Mr. Singh has been a Mountain Mike’s® Pizza franchisee (through affiliated entities) in California since 2007, currently owning 7 Restaurants.

**Item 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4**  
**BANKRUPTCY**

Our Chief Operations Officer Steve Adyani, filed for personal bankruptcy on December 15, 2016 in the United States Bankruptcy Court, Southern District of California under case number 16-07560-LA7. The personal bankruptcy was related to family medical debt, and was discharged on March 14, 2017.

No other bankruptcy proceedings are required to be disclosed in this Item.

**Item 5**  
**INITIAL FEES**

Initial Franchise Fee

MMP currently charges a \$30,000 initial franchise fee if this is your first Mountain Mike’s® Pizza Restaurant. If you already own a controlling interest in another Mountain Mike’s® Pizza Restaurant, your initial franchise fee is \$15,000. You must pay the initial franchise fee in a

lump sum when you sign the Franchise Agreement.

MMP offers a \$15,000 reduction off of the \$30,000 initial franchise fee for qualified Veterans of the U.S. Armed Forces for each Mountain Mike's® restaurant purchased. To qualify, you must, among other business requirements, have received an Honorable Discharge and at all times, must own the franchise and/or the franchise business entity. You must disclose your Veteran status to us (and provide evidence of qualification) before signing your Franchise Agreement.

### Marketing Fee

You must pay MMP a non-refundable \$8,000 marketing fee (including if you sign the Franchise Agreement in connection with a transfer) according to the following schedule: (1) if you are signing the Franchise Agreement for a new Mountain Mike's® Pizza Restaurant, \$4,000 is payable upon signing the Franchise Agreement and the remaining \$4,000 is payable upon execution of the lease for your Restaurant; or (2) if you are signing the Franchise Agreement in connection with a transfer, the entire amount is payable upon closing of the transfer. MMP will disburse this amount for the Restaurant's marketing program. If MMP exceeds \$8,000 in expenses towards marketing your Restaurant, it will not charge you for the additional expenses. If MMP spends less than \$8,000 towards marketing your Restaurant, you do not receive a refund of the difference. MMP will deposit the difference into the Marketing Fund.

### Area Development Agreement

If we grant you development rights, we and you will sign our Area Development Agreement and you will commit to develop multiple Mountain Mike's® Pizza Restaurants in an area under a development schedule. We currently charge a development fee that you must pay in full when you sign the Area Development Agreement. If you sign the Area Development Agreement agreeing to develop 3 Mountain Mike's® Pizza Restaurants (which is the minimum number of Restaurants required under our Area Development Agreement), then the development fee due equals either: (1) if the Franchise Agreement is for your first Mountain Mike's® Pizza Restaurant, then the full \$30,000 Initial Franchise Fee for that Franchise Agreement plus a deposit of \$7,500 for the second Mountain Mike's® Pizza Restaurant you will develop and \$3,750 for the third Mountain Mike's® Pizza Restaurant and each additional Mountain Mike's® Pizza Restaurant you will develop under the Area Development Agreement; or (2) if you already own a controlling interest in at least one Mountain Mike's® Pizza Restaurant, the \$15,000 Initial Franchise Fee for the Mountain Mike's® Pizza Restaurant covered by the Franchise Agreement plus a deposit of \$3,750 for the second and each additional Mountain Mike's® Pizza Restaurant you will develop under the Area Development Agreement. The balance of the Initial Franchise Fee (that is, the remaining \$15,000, \$7,500 or \$3,750, as is applicable) for each Mountain Mike's® Pizza Restaurant is due when you sign the Franchise Agreement for that Mountain Mike's® Pizza Restaurant. We and you will determine the number of Mountain Mike's® Pizza Restaurants you must develop, and the dates by which you must develop them, before signing the Area Development Agreement. The development fee is not refundable under any circumstances.

**Item 6**  
**OTHER FEES**

Column 1 Type of Fee <sup>1</sup>	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty	5% of Restaurant's weekly Gross Sales (or a minimum of \$500 per week if you fail to timely open the Restaurant) <sup>2</sup>	Due by automatic debit each Friday <sup>2</sup>	"Gross Sales" means all revenue from operating the Restaurant (including proceeds of business interruption insurance, all rental income and the amounts charged to customers for menu items delivered by third party delivery service providers); it does not include taxes collected from customers and is reduced by customer refunds and credits (if the original payment was included in Gross Sales) <sup>3</sup>
Marketing Fund	Up to 1% of Restaurant's weekly Gross Sales	Due by automatic debit each Friday <sup>2</sup>	
Advertising Cooperative	Up to 2% of Restaurant's weekly Gross Sales (but franchisees may agree to pay more)	Due by automatic debit each Friday <sup>2</sup>	See Item 11 for important information
Additional Training or Assistance	\$200-\$1,200	15 days after billing	MMP trains 2 people free (see Item 11) - MMP may charge you for others attending initial training, for training newly hired managers, for periodic refresher training courses, or for additional or special guidance, assistance, or training

Column 1 Type of Fee <sup>1</sup>	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			you need or request (MMP has not yet charged for this training). You are responsible for travel, living, and similar expenses for all training attendees
Transfer (Controlling Transfers)	\$30,000 if a transfer to a new Mountain Mike's® Pizza Restaurant franchisee and \$15,000 if a transfer to an existing Mountain Mike's® Pizza Restaurant franchisee	½ due with transfer request; other ½ due before transfer completed	Due when Franchise Agreement or a controlling ownership interest in you is transferred. No charge if Franchise Agreement transferred to an entity you control. Only ½ of transfer fee is refundable
Transfer (Non-Controlling Transfers)	\$2,500	When you request transfer approval; the fee is not refundable	Due if your owners transfer non-controlling ownership interest in you
Marketing	\$8,000	Upon closing of the transfer	Due when Franchise Agreement or a controlling ownership interest in you is transferred.
Renewal	50% of MMP's then current initial franchise fee	When you sign successor franchise agreement	
Audit	\$500-\$5,000, though actual amount could be much higher because it depends on extent of your non-compliance and our efforts required to detect that non-compliance	15 days after billing	Due if you understate the Restaurant's Gross Sales by more than 2% or do not furnish reports, supporting records, or other required information

Column 1  Type of Fee <sup>1</sup>	Column 2  Amount	Column 3  Due Date	Column 4  Remarks
Interest	Lesser of 1.5% per month or highest contract interest rate law allows	15 days after billing	Due on all overdue amounts that are more than 7 days late
Service Charge <sup>5</sup>	\$100	15 days after billing	Due for each late payment and each late sales report, including weekly electronic and/or monthly hard copy reporting. If your equipment is capable of electronic information transfer, MMP will charge you this fee each time you do not download information as required, regardless of your equipment's working condition at the time. You must ensure that your equipment is in proper working order at all times
Product and Service Purchases	See Item 8	See Item 8	You must buy certain products and services from designated and approved suppliers and/or under MMP's standards and specifications
Management Fee	Up to 15% of Restaurant's Gross Sales	As incurred	Due for period MMP assumes Restaurant's management upon your death or disability, default, or termination
Costs and Attorneys' Fees	Will vary under circumstances and depends on your non-compliance	As incurred	Due when you do not comply with Franchise Agreement



Column 1  Type of Fee <sup>1</sup>	Column 2  Amount	Column 3  Due Date	Column 4  Remarks
Indemnification	Will vary under circumstances and depends on nature of underlying claim	As incurred	You must reimburse MMP if it is held liable for claims from your Restaurant's operation or incurs costs to defend them
Testing	\$50-\$800	15 days after billing	This covers costs of testing new products or inspecting new suppliers you propose
Franchise System Website and Intranet	Not to exceed \$50 per month	As incurred	MMP may charge you a separate fee to be on or participate in the Website and Intranet if the Marketing Fund does not cover these costs; MMP does not yet charge this fee
Online Training Program and Learning Management System (LMS) Fee	\$300 annually, subject to increase	As incurred	MMP has developed the LMS for franchisees through Mountain Mike's University (MMU). You must sign up for an account and pay the annual fee through the platform.
Technology Fees	Currently, between \$109 and \$139 per month, subject to increase (based on increases in costs in providing the technology services, including increased costs associated with technological innovation and product development necessary for industry competitiveness)	As incurred	Various technology-related fees are payable to vendors or us as detailed in Note 6 and Item 11.

Column 1  Type of Fee <sup>1</sup>	Column 2  Amount	Column 3  Due Date	Column 4  Remarks
Insurance	Will vary under circumstances and depends on which insurance you did not obtain	When billed by MMP	Due if MMP must buy insurance for you
Non-Compliance Fee	\$500 to \$2,000 for deviations from operational requirements/System Standards (defined in Item 11)	Within 5 days of receiving notice from MMP	Due, at MMP's option, if you deviate from MMP's requirements for operations or System Standards. This compensates MMP for administrative and management costs, not for MMP's damages due to your default. MMP may charge you \$500 for each deviation. If MMP discovers the same (or a substantially similar) deviation on 1 or more consecutive, subsequent visits to or inspections of your Restaurant, MMP may charge \$1,000 for 1 <sup>st</sup> repeat deviation and \$2,000 for second and each subsequent repeat deviation.
Re-Inspection Fee	Currently, \$250	As incurred	If the Restaurant fails an inspection, as set forth in the System Standards, MMP reserves the right to charge you a fee to reimburse MMP for its costs of conducting an additional inspection.

Column 1  Type of Fee <sup>1</sup>	Column 2  Amount	Column 3  Due Date	Column 4  Remarks
Customer Complaint Reimbursement	Out-of-pocket reimbursement cost	As incurred	You must reimburse MMP if it resolves a customer complaint because you do not do so; amount depends on extent of your non-compliance.
Lost Future Royalties	Depends on how much time remained in Franchise Agreement term when MMP terminated with cause or you terminated without cause	15 days after end of franchise term	These are MMP's contract damages (not liquidated damages) if the Franchise Agreement is terminated before its expiration date

1/ Except for product and service purchases described in Item 8, all fees are imposed and collected by and payable to MMP or its affiliate. We have, in limited circumstances, negotiated reduced transfer, marketing and renewal fees; otherwise, all fees currently are uniformly imposed. No fee is refundable.

2/ Before the Restaurant opens, you must sign and deliver to MMP the documents it requires to debit your business checking account automatically for the Royalty, Marketing Fund (defined in Item 11) contributions, advertising cooperative contributions, and other amounts you owe MMP. A sample document is attached as Exhibit I. On each Monday, you must report to MMP electronically or in writing, as MMP directs, the Restaurant's Gross Sales for the week ending on the preceding Sunday. MMP will debit your account on Friday for the Royalty, Marketing Fund contributions, advertising cooperative contributions due on those Gross Sales and any other amounts you owe MMP. You must make sure your account has the necessary funds for withdrawal before each Friday.

If you do not report the Restaurant's Gross Sales weekly, MMP may debit your account each Friday for 120% of the amount it debited during the previous week. If the amount MMP debits from your account is less than the amount you actually owe (once MMP determines the Restaurant's Gross Sales for the week), MMP will debit your account for the balance on the following Friday. If the amount MMP debits exceeds the amount you actually owe for the week, MMP will credit the excess against the following week's debit.

MMP may require you to pay other than by automatic debit, and you must comply with MMP's payment instructions.

If you fail to timely open the Restaurant and we do not exercise our right to terminate the Franchise Agreement, you must pay us a minimum Royalty of Five Hundred Dollars (\$500) per week (or prorated week) for each week that the Restaurant is not open (the “Minimum Royalty”) until the Restaurant opens or we exercise our right to terminate the Franchise Agreement.

- 3/ If you sell any products or services, or engage in any business activities, at or from any part of the Restaurant’s premises other than the products, services, and business activities MMP expressly authorizes for Mountain Mike’s® Pizza Restaurants (which you may do only with MMP’s prior written consent, which it may grant or withhold as it deems best), all revenue you derive from selling those products or services or engaging in those business activities at or from the premises will be included in and/or added to, and deemed to be part of, Gross Sales without any deductions whatsoever, even if those products, services, or business activities do not directly use or are not directly associated with any of the Marks.

To ensure that Gross Sales you report to MMP include all required revenue, MMP has the right to receive directly from all third-party and other vendors with whom your Restaurant does business, upon MMP’s request, all financial and other information regarding their dealings with the Restaurant, including any sales the Restaurant makes to or through them or on account of the services they provide.

- 4/ While there currently are 15 advertising cooperatives in MMP’s system (see Item 11), no Restaurants that MMP or its affiliates own may vote on the fees these cooperatives charge.
- 5/ You must purchase a point-of-sale/electronic information system that can automatically report sales daily or weekly. You also must install and maintain a working high-speed DSL or cable line and modem that transfers sales information from your system to MMP’s designated polling location. (See Item 11.) The service charge, which is \$100 each time sales are not reported as required, will be deducted with your royalty payment at your next scheduled automatic funds transfer date.
- 6/ As further described in Item 11, you must pay certain fees related to required technology and software, including subscriptions, which currently includes, among other fees, \$27.25 to \$34.75 per week (representing a monthly cost of \$109 to \$139) which we collect and pay to Punchh, Inc. for your use of the Punchh mobile app and loyalty program.

**Item 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
Initial Franchise Fee (1)	\$7,500 - \$30,000	Lump Sum	On signing Franchise Agreement	MMP
Leasehold Improvements (2)	\$150,000 - \$585,442	As Agreed	As Incurred	Outside Suppliers
Architectural and Engineering Fees (2)	\$20,000 - \$26,000	As Agreed	As Incurred	Outside Suppliers
Furniture, Fixtures, and Equipment (3)	\$171,000 - \$255,000	As Agreed	As Incurred	Outside Suppliers
Signage	\$10,500 - \$24,000	As Agreed	As Incurred	Outside Suppliers
POS/Electronic Information System (4)	\$12,000 - \$15,000	As Agreed	As Incurred	Adora and/or Other Outside Suppliers
Three Month's Rent (5)	\$16,000 - \$36,000	Lump Sum	On signing lease or sublease	Landlord
Opening Inventory, Uniforms, and Supplies (6)	\$24,000 - \$30,000	As Agreed	As Incurred	Outside Suppliers
Marketing Fee	\$8,000	As Incurred	50% upon signing Franchise Agreement; 50% upon signing the lease	MMP
Décor Package (7)	\$8,500 - \$10,500	As Agreed	As Incurred	Outside Suppliers
Training Expenses (for one required attendee) (8)	\$2,500 - \$5,000	As Incurred	As Incurred	Third Parties
Professional Fees	\$1,500 - \$5,500	As Incurred	As Incurred	Your Legal Advisors
Miscellaneous Opening Costs (9)	\$24,000 - \$35,000	As Incurred	As Incurred	Third Parties
Additional Funds - 3 months (10)	\$21,000 - \$25,000	As Incurred	As Incurred	Third Parties

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
TOTAL ESTIMATED INITIAL INVESTMENT (excluding real estate purchase costs) (11)	\$476,500 - \$982,611*			

\*You will not incur most of these costs if you are renewing your franchise because your Restaurant already is open. However, you must make certain upgrades, modifications, and improvements at your Restaurant to meet MMP's then current standards. Your costs will depend on your Restaurant's current condition.

Except for the security deposit, no expense in the table above is refundable.

### Explanatory Notes

1. MMP describes the initial franchise fee in Item 5.

If you sign our Area Development Agreement agreeing to develop a minimum of 3 Mountain Mike's® Pizza Restaurants, then we will reduce the amount of Initial Franchise Fee to \$15,000 or \$7,500 (as applicable, see Item 5) for the second Mountain Mike's® Pizza Restaurant, and to \$7,500 for the third Mountain Mike's® Pizza Restaurant and each additional Mountain Mike's® Pizza Restaurant you agree to develop under the Area Development Agreement.

2. The Restaurant's premises typically is in an endcap or inline location in a shopping center. A Restaurant is typically 2,200 to 3,500 square feet. The estimated Leasehold improvement costs will vary greatly depending upon the size and condition of the Premises, location of the Leased Premises, and local cost of construction. You must use one of our approved general contractors or another general contractor we approve to build out your Restaurant. You must obtain professional architectural and engineering drawings for your Restaurant. You must use one of our preferred architects or another architect we approve to prepare a preliminary floor plan, store design color renderings, and construction drawings which include a full set of elevations of the restaurant. Your costs for architectural fees may be higher if your Restaurant requires structural design, permitting variances, or a patio design. We anticipate that you will rent the premises for the Restaurant, but you may purchase the property for your Restaurant. The estimate in the table above does not include the cost of constructing the building if you purchase the property. You may also receive an allowance, credit, rebate, or rent abatement from your Landlord to offset the remodeling and build-out costs you will incur to conform the Premises for the Restaurant. Your leasehold improvement costs may be offset if your landlord provides such an allowance, credit, rebate, or rent abatement. The estimated cost above is net of any tenant improvement allowance, credit, rebate, or rent abatement you may receive.

3. This item includes sinks, refrigerators, freezers, ovens, beer tap system, hood system, ventilation systems, tables, chairs, booths, walk-in cooler, dough mixer, shelving, and all other large equipment items we require. The range depends on whether any used equipment remains at the premises you take over.

4. MMP describes the POS/electronic information system in Item 11.
5. The rent depends on the size, condition, trade area and location of the premises and the demand for the premises among prospective lessees.
6. This figure is for food products, materials, smallwares, uniforms, car toppers, and supplies necessary to open the Restaurant under MMP's required standards and specifications.
7. This item covers interior signage, wall graphics, exterior, graphics, pictures, and other decor items.
8. This estimate represents training costs for 1 person to attend initial training. The low end of the training costs estimate assumes the trainee is located near our training facility. The high end of the training costs estimate assumes the trainee is not located near our training facility and includes airfare, lodging, food, and car rental. Additional people may attend initial training, subject to our ability and capacity to accommodate these extra trainees in any training session. You must pay for all of your trainees' travel and living expenses, and if applicable wages and insurance (including workers' compensation) while training occurs at our training facility.
9. This item covers miscellaneous opening costs and expenses, including purchasing and installing telephones, network cabling, televisions, tv digital menus, audio, security; utility deposits for gas, electricity, water, and similar low voltage items; business licenses (including beer and wine); permitting costs, accounting expenses; and insurance premiums. You may also incur costs for impact fees, water fees, or similar development fees, which are not included in the estimate above.
10. This item estimates your initial start-up expenses (other than the items identified separately in the table). These expenses include payroll costs but not any draw or salary for you or your owners. These figures are estimates, and it is possible you will need additional working capital during the first 3 months you operate your Restaurant and for a longer time period after that. This 3-month period is not intended, and should not be interpreted, to identify a point at which your Restaurant will break even. Your costs depend on how much you follow MMP's methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. MMP relied on its principals' many years of experience franchising Mountain Mike's® Pizza Restaurants to compile this Additional Funds estimate.
11. You should review these figures carefully with a business advisor before deciding to acquire the franchise. MMP does not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. Fees associated with your loan are not included in the estimated initial investment above.

**Item 8**  
**RESTRICTIONS ON SOURCES  
OF PRODUCTS AND SERVICES**

**Franchise Agreement**

You must operate the Restaurant according to MMP's System Standards (defined in Item 11). System Standards may regulate, among other things, the types, models, and brands of required fixtures, furnishings, equipment, signs, materials, and supplies for the Restaurant; required or authorized products and services and product and service categories; product preparation, storage, handling, and packaging procedures; product inventory requirements; and designated or approved suppliers of necessary items and services (which may be limited to or include MMP or its affiliates, in which case you must acquire certain items for your Restaurant only from MMP and/or its affiliates at the prices they decide to charge).

Currently, you must purchase a POS/electronic information system, hardware and software maintenance services, MMP's pizza spice blend, pizza dough mix, cheese products, meat products, tomato products, other contracted goods (that is, goods for which MMP has made purchase commitments to control prices for the franchisees' benefit), soft drinks, chemical products, kitchen equipment, smallwares, logoed paper products, mobile app / loyalty program, gift card program, service and equipment for in-Restaurant music, television, telephone and internet systems, participation and other proprietary products and services exclusively from MMP's designated suppliers. Adora POS, LLC ("Adora") is currently the designated supplier of the POS/electronic software information system and an approved supplier of hardware and components. Heartland Payment Systems, Inc. ("Heartland") is currently the designated supplier of credit card devices and payment processing services. (See Item 11 for details about the POS/electronic information system.). Punchh, Inc. ("Punchh") is currently the designated supplier for our mobile app and loyalty program. Valutec Card Solutions, Inc. is currently the designated supplier for our gift card program. You must also use the services of an architect/engineer and general contractor that we approve to develop the Restaurant. Except for these items, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant that you currently must purchase or lease from MMP or a designated supplier. Any future purchases from MMP and its affiliates, whether required or voluntary, may be at prices exceeding their costs so they can make a profit (specific pricing depends on the particular item involved).

You are required to offer delivery services directly from your Restaurant and we may, in our sole judgment, allow you to offer catering services. You must make accommodations for delivery and/or catering services in compliance with MMP's System Standards, including utilizing only the specified designated delivery and/or catering service providers MMP identifies, making available the products and services identified as appropriate for delivery and/or catering (and only those designated products and services), integrating any delivery and/or catering service platforms into the POS/electronic information system, complying with MMP's pricing policies for delivery and/or catering services, and limiting the delivery and/or catering services to any delivery and/or catering area MMP specifies to you in writing. (See Item 12)



To maintain the quality of goods and services Mountain Mike's® Pizza Restaurants sell and the reputation of MMP's system, you must purchase or lease fixtures, equipment, supplies (for example, logoed pizza take-out and delivery boxes and paper products), furnishings, food products and similar items (for example, salad dressings and canned goods), and services meeting MMP's minimum standards and specifications and, for some items, from suppliers MMP approves (besides the designated sourcing requirements identified above). MMP issues and modifies standards and specifications based on its franchisees' experience in operating Mountain Mike's® Pizza Restaurants. MMP's standards and specifications may impose minimum requirements for delivery, performance, design, price, and appearance. MMP will notify you in its Operations Manual or other materials of its standards and specifications and/or names of approved suppliers. There might be situations where you may obtain items from any supplier who, after MMP's approval, can satisfy MMP's requirements and, for that reason, would be an approved supplier. MMP currently receives commissions from certain suppliers on franchisee purchases of food products and beverages from those suppliers (see below). Neither MMP nor any of its affiliates is currently is an approved supplier of any items. If you buy or lease any item from MMP (or an affiliate) because it is at that time a designated or approved supplier (or the only supplier), MMP (or that affiliate) has the right to charge a price exceeding its cost and including a profit margin. No MMP officer currently owns an interest in any approved or designated supplier.

If you want to use any item or service MMP has not yet evaluated, or to buy or lease from a supplier MMP has not yet approved, you first must submit sufficient information, specifications, and samples for MMP to determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. MMP may charge you or the supplier a reasonable evaluation fee (see Item 6) and will decide within a reasonable time (typically within 60 days). MMP periodically will establish procedures for you to request approval of items and suppliers and may limit the number of approved items and suppliers. Supplier approval depends on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service and/or a supplier's willingness to pay MMP or the system for the right to do business with the system. Supplier approval may be temporary until MMP evaluates the supplier in more detail. MMP may use all amounts it receives from a supplier without restriction for any purposes it deems appropriate. MMP may inspect a proposed supplier's facilities during the approval process and afterward to make sure the supplier continues to meet MMP's standards. MMP may revoke its approval of an item or supplier if it does not meet MMP's standards. MMP will immediately notify you and the supplier in writing of this decision.

Besides these purchases and leases, you must obtain and maintain, at your own expense, the insurance coverage MMP periodically requires and meet other insurance-related obligations in the Franchise Agreement. You currently must maintain comprehensive general liability insurance, product liability insurance, liquor/dram shop liability insurance, personal and advertising injury insurance, and owned, non-owned and hired auto liability insurance with minimum limits of \$1,000,000 per occurrence, and Umbrella Excess Liability Insurance with minimum limits of \$1,000,000 per occurrence over all liability coverages listed above. You also must maintain workers' compensation insurance required by law for your employees with employer's liability limits of \$1,000,000. Insurance costs depend on the insurance carrier's charges, payment terms, and your history. All insurance policies must name MMP and its affiliates (if any) as an additional insured party. You must provide certificates of insurance to MMP. The certificates must provide

that MMP will receive at least 30 days' prior written notice of cancellation or reduction in coverage. The insurance company must be rated A- or better by A.M. Best Company. If you fail to maintain any required insurance, MMP may obtain insurance coverage for you. You then must pay, on demand, all costs, premiums, and other expenses MMP incurs. (See Item 6)

Before you use them, you must send MMP for approval samples of all advertising, promotional, and marketing materials MMP has not prepared or previously approved. If you do not receive written disapproval within 15 days after MMP receives the materials, they are deemed approved. You may not use any advertising, promotional, or marketing materials MMP has not approved or has disapproved. At MMP's request, you must participate as MMP specifies in any Website (defined in Item 13) MMP establishes for the Mountain Mike's® Pizza system.

You must participate in, and comply with the requirements of, all mandatory promotional programs, gift and loyalty programs, affinity and similar programs. This participation includes but is not limited to limited time offers, campaigns, special offers or coupons that we distribute nationally or locally by e-mail, our website, electronically, online, social networking sites, direct mail, or other method of distribution. You must issue, honor, redeem and follow our guidelines on the acceptance and reimbursement of gift certificates, gift cards, rewards coupons, loyalty offers and other promotional programs we provide in the Manuals or otherwise in writing.

Punchh is MMP's current designated supplier of the mobile app and loyalty program, but MMP reserves the right to change and/or designate additional suppliers for this program in the future. You must pay us a fee between \$109 and \$139 per month for the app and loyalty program which we will pay to Punchh for your participation in the app and loyalty program.

CrunchTime, DBA DiscoverLink, is MMP's current designated supplier of the LMS available through MMU. You must purchase an account with CrunchTime and pay an annual fee (currently, \$300) through the platform.

Sangoma and SafeHaven are MMP's current designated vendors for restaurant telephone services, equipment, and interactive voice response systems. You must subscribe to the telephone services we require with these suppliers and pay the then-current rates directly to them.

Valutec Card Solutions, Inc. is MMP's current designated supplier of MMP's gift card program. You must pay a fee of \$5 per month (plus transaction fees) for your participation in the gift card program.

In order for you to develop the Restaurant, MMP will give you mandatory and suggested specifications and layouts for a Mountain Mike's® Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signage, furnishings, and color scheme. You must prepare all required construction plans and specifications to suit the shape and dimensions of the premises and make sure these plans and specifications comply with applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. MMP must review and approve all plans and specifications before you begin constructing the Restaurant (including the preliminary floor plan, store elevation renderings, and construction drawings which include a full set of elevations of the restaurant). You must submit all revised or "as built" plans and specifications during construction. MMP periodically may

inspect the Restaurant during its development. You (and not MMP) are responsible for the performance of architects, contractors, and subcontractors you hire to construct, develop, and maintain the Restaurant and for ensuring that sufficient insurance coverage is in place during the construction process.

The Restaurant must be at a site MMP approves in advance. MMP also must approve the lease or sublease for the premises and will require it to contain the provisions set forth in MMP's form of Franchisor Lease Addendum, which is Exhibit C.

During its 2024 fiscal year (ending on December 31, 2024), MMP did not receive any revenue from selling products and services directly to Mountain Mike's® Pizza franchisees. In its 2024 fiscal year, MMP received rebates from suppliers who sold products to its franchisees, ranging anywhere from 1% to 21% of the revenue the suppliers received on account of their dealings with franchisees. Collectively, the purchases and leases described above represent almost 100% of your total purchases and leases to establish and then operate the Restaurant.

Except as described above, neither MMP nor its affiliates currently derive revenue or other material consideration from required purchases or leases. There currently are no purchasing or distribution cooperatives. MMP currently negotiates purchase arrangements with suppliers (including price terms) for pizza ingredients and POS/electronic information system components. In doing so, it seeks to promote the franchise system's overall interests and its interests as the franchisor. MMP does not provide material benefits (e.g., renewal or granting additional franchises) to a franchisee for purchasing particular products or services or using particular suppliers.

## **Item 9** **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in agreement	Disclosure document item
(a) Site selection and acquisition/lease	2A and B of Franchise Agreement and Franchisor Lease Addendum; Sections 3.01 and 3.02 and Exhibit A of the Area Development Agreement	7, 8, 11, and 12
(b) Pre-opening purchases/leases	2C, D, and E and 8 of Franchise Agreement	5, 7, 8, and 11
(c) Site development and other pre-opening requirements	2C, D, and F of Franchise Agreement	7, 8, and 11
(d) Initial and ongoing training	4A and B of Franchise Agreement and 11 of Renewal Rider	6, 7, and 11

Obligation	Section in agreement	Disclosure document item
(e) Opening	2F of Franchise Agreement; Section 3 of Area Development Agreement	11
(f) Fees	3A and B, 4A, 8C, 9A, B, and D, 12C, 12C(7), 12C(8), 12E(2), 13A, 17C, and 15A of Franchise Agreement; Sections 2.01 and 3.02 of the Area Development Agreement	5, 6, 7, and 11
(g) Compliance with standards and policies/operating manual	4B and C, 8, and 9D of Franchise Agreement	8 and 11
(h) Trademarks and proprietary information	5 and 6 of Franchise Agreement; Sections 5.03 and 6.01 of the Area Development Agreement	11, 13, and 14
(i) Restrictions on products/services offered	8A of Franchise Agreement	8, 11, and 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable
(k) Territorial development and sales quotas	Section 2.03 of the Area Development Agreement	12 and 17
(l) On-going product/service purchases	2D and 8 of Franchise Agreement	6, 8, and 11
(m) Maintenance, appearance, and remodeling requirements	8A and B and 13A of Franchise Agreement and 6 and 12 of Renewal Rider	11 and 17
(n) Insurance	8A of Franchise Agreement	6, 7, and 8
(o) Advertising	2G and 9 of Franchise Agreement	5, 6, 7, 8, and 11
(p) Indemnification	16D of Franchise Agreement; Section 5.02 of the Area Development Agreement	6
(q) Owner's participation/management/staffing	4A and 8A of Franchise Agreement; Section 4.02, 4.03 and Exhibit B of the Area Development Agreement	11 and 15
(r) Records and reports	10 of Franchise Agreement	Not Applicable
(s) Inspections and audits	11 of Franchise Agreement	6

Obligation	Section in agreement	Disclosure document item
(t) Transfer	12 of Franchise Agreement; Section 7 of the Area Development Agreement	17
(u) Renewal	13 of Franchise Agreement and 13 of Renewal Rider	17
(v) Post-termination obligations	14B and C and 15 of Franchise Agreement; Section 9 of the Area Development Agreement	17
(w) Non-competition covenants	7 and 15D of Franchise Agreement; Sections 6.02, 7.02(h) and 9.02 of the Area Development Agreement	17
(x) Dispute resolution	17F, G, and H of Franchise Agreement; Section 10 of the Area Development Agreement	17
(y) Other		
- Participation in gift card and customer loyalty and affinity programs	8A(15) of Franchise Agreement	8 and 11
- Personal Guaranty	Attached to the Franchise Agreement and must be signed by all owners of the Franchisee entity	Item 15

## **Item 10**

### **FINANCING**

MMP does not offer direct or indirect financing. MMP does not guarantee your note, lease, or obligation.

## **Item 11**

### **FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

Before you open the Restaurant, MMP (and/or one of its development agents) will:

1. Designate the Protected Area for the Restaurant. (Franchise Agreement – Section 1.D)

2. Give you its site selection criteria for the Restaurant. The site must meet MMP's criteria for demographic characteristics; traffic counts; population density; parking; access; co-tenancy; competition from and proximity to other businesses; other commercial characteristics; and size, visibility, appearance, and other physical characteristics. MMP does not manage the site selection process for you. Finding a site is your responsibility. You must submit a proposed site and related materials to us within 120 days after signing the Franchise Agreement. If you enter into an Area Development Agreement with us, you must select sites within your specified Development Area (defined below). MMP will accept or reject your proposed Restaurant location within 30 days after it receives the complete site report and other materials it requests. If you and MMP cannot agree on a site, MMP may terminate the Franchise Agreement. (Franchise Agreement – Sections 1.D., 2.A., and 2.B.)

3. MMP must approve your lease for the Restaurant's premises. The lease must be in form and substance MMP approves. You must submit a proposed lease, sublease or other rental agreement for the Restaurant's premises to MMP for our review and approval within 150 days after signing the Franchise Agreement. You must deliver to MMP fully-signed copies of the lease, as approved by MMP, within fifteen (15) days after its execution or, if earlier, before the date specified in any Area Development Agreement that MMP and you signed. At MMP's request, you agree that you will enter into MMP's form of Franchisor Lease Addendum, which must be executed along with your lease. At our option, we may terminate your Franchise Agreement if you and we do not agree on an acceptable site, and you do not submit a lease or purchase document for that site to us within 150 days after signing the Franchise Agreement. (Franchise Agreement - Sections 2.B and 14.B)

4. Give you mandatory and suggested specifications and layouts for a Mountain Mike's® Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. MMP must approve the renderings and construction drawings presented and provide input on the layout and equipment package, specifications, elevations, materials and finishes, placement of wall graphics and décor, and other input as deemed appropriate. (Franchise Agreement – Section 2.C.)

5. As discussed in Item 8, identify the fixtures, furniture, furnishings, equipment (including a computer and point-of-sale/electronic information system), signs, food products, materials, supplies, and services you must use to develop the Restaurant, the minimum standards and specifications you must satisfy, and the suppliers from whom you must or may buy or lease these items (including or limited to MMP and/or its affiliates). (Franchise Agreement – Sections 2.D. and 8.A.)

6. Give you access to the Operations Manual, which currently contains 173 total pages and the table of contents of which is Exhibit G. (Franchise Agreement – Section 4.C.)

7. Help you with the Restaurant's marketing program. (Franchise Agreement – Section 2.G.)

8. Train you (or your managing owner) and one manager. (Franchise Agreement – Section 4.A.) MMP describes this training later in this Item.

9. Designate a specific number of Mountain Mike's® Pizza Restaurants you may develop and open at approved locations in the Development Area (if we grant you development rights). We also will supply to you our site selection criteria and may recommend a commercial real estate broker in your Area. If you elect to retain a commercial real estate broker in connection with your site selection activity, then such broker must be approved by us in advance. (Area Development Agreement) (See Items 5, 12 and 15)

During your Restaurant's operation, MMP (and/or one of its development agents) will:

1. Advise you regarding the Restaurant's operation based on your reports or inspections MMP (or its designee) makes. MMP also will recommend standards, specifications, and operating procedures and methods Mountain Mike's® Pizza Restaurants use; purchasing required fixtures, furniture, furnishings, equipment, signs, products, materials, and supplies; advertising and marketing programs; supervisory employee training; and administrative, bookkeeping, and accounting procedures. MMP may provide recommendations in its Operations Manual, bulletins, or other written materials; by Electronic Media and Intranets; by telephone consultation; and/or at its office or the Restaurant. An "Intranet" means an internal network MMP designs and administers for the Mountain Mike's® system through which the system's members may communicate with each other and through which MMP may circulate updates to the Operations Manual and other confidential information. (Franchise Agreement – Section 4.B.)

2. Give you, at your request, additional guidance, assistance, and training. (Franchise Agreement – Section 4.B.) (See Item 6)

3. Give you access to the Operations Manual, containing the materials (including audio, video, written, and on-line materials) MMP generally provides to franchisees to operate Mountain Mike's® Pizza Restaurants. The Operations Manual contains mandatory specifications, standards, operating procedures, and rules ("System Standards") MMP periodically requires, information on your other obligations under the Franchise Agreement, and recommendations for operations. MMP may modify the Operations Manual periodically to reflect changes in System Standards. (Franchise Agreement – Section 4.C.)

4. Issue and modify System Standards for Mountain Mike's® Pizza Restaurants. MMP periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Restaurant and/or incur higher operating costs. (See Item 16) (Franchise Agreement – Sections 8.A. and 8.B.)

5. Inspect and observe the Restaurant's operation to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 11.A.)

6. Let you use MMP's confidential information. (Franchise Agreement – Section 6)

7. Let you use MMP's Marks. (Franchise Agreement – Section 5)

8. Periodically offer refresher training courses. (Franchise Agreement – Section 4.A.)

9. Maintain and administer a marketing fund (the “Marketing Fund” or “Fund”). MMP may incorporate the Fund or operate it through a separate entity when it deems best. That entity will have all of the rights and duties described here. As noted in Item 1, MMP’s wholly owned subsidiary, MMP National Fund, currently maintains and administers the Fund. You must contribute the amounts MMP periodically requires (see Item 6). Mountain Mike’s® Pizza Restaurants MMP and its affiliates own must contribute to the Fund on the same percentage basis as franchisees. Some franchisees who joined the Mountain Mike’s® system when it first started do not contribute to the Fund. MMP will direct all programs the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for MMP’s administration of any gift card, customer loyalty, affinity, or similar program; preparing and producing video, audio, and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies to provide assistance; administering field marketing programs, including secret shopper programs, California Association of Employers membership, and store evaluation visits; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund places advertising in printed materials, on radio or television and/or the Internet for local or regional circulation, depending on what MMP thinks best. MMP produces some advertising in-house but also may use regional advertising agencies.

MMP accounts for the Fund separately from its other monies (though it need not keep Marketing Fund contributions in a separate bank account) and will not use the Fund for its general operating expenses, except for reasonable salaries, administrative costs, travel expenses, and overhead MMP incurs in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not a trust, and MMP has no fiduciary obligation to you. MMP holds Fund contributions for the benefit of contributors and uses contributions only for their intended purpose. The Fund may spend in any fiscal year more or less than total Fund contributions in that year, borrow from MMP or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. MMP will use all interest earned on Fund contributions to pay costs before using the Fund’s other assets. MMP currently does not intend to use Fund contributions for advertising that principally is a solicitation of new franchise sales. MMP will prepare an unaudited, annual statement of Fund collections and costs and give it to you upon written request.

The purpose of the Fund is to maximize recognition of the Marks and patronage of Mountain Mike’s® Pizza Restaurants. Although MMP will try to use the Fund to develop advertising and marketing materials and programs and to place advertising and marketing benefiting all Mountain Mike’s® Pizza Restaurants, MMP need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Mountain Mike’s® Pizza Restaurants operating in that geographic area or that any Mountain Mike’s® Pizza Restaurant benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising. MMP has the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund’s expense. MMP also may forgive, waive, settle, and compromise all



claims by or against the Fund. MMP assumes no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

MMP may defer or reduce a franchisee's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If MMP terminates the Fund, it will distribute all unspent monies to franchisees and MMP and its affiliates in proportion to their respective Fund contributions during the preceding 12-month period.

All advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising and marketing and MMP's required advertising and marketing policies. Before you use them, you must send MMP samples of all advertising, promotional, and marketing materials that MMP has not prepared or previously approved. If you do not receive written disapproval within 15 days after MMP receives the materials, they are deemed approved. You may not use any advertising, promotional, or marketing materials MMP has not approved or has disapproved. (Franchise Agreement – Sections 9.A. and 9.B.) "Advertising, promotional, and marketing materials" includes any information relating to MMP, you, or the Restaurant that you plan to include on a Website (if MMP allows you to establish a Website). You must issue and honor/redeem gift certificates, coupons, and gift, loyalty, and affinity cards for Mountain Mike's® Restaurants and participate in, and comply with the requirements of, MMP's gift card and other customer loyalty, affinity, and similar programs.

We have formed a Franchise Advisory Council ("FAC") that advises MMP on operations, training, systems, processes, programs and policies to improve the Mountain Mike's® Pizza brand. Currently, there are 8 members on the FAC that are franchisees selected by MMP. The FAC operates in an advisory capacity only. MMP may form, change, dissolve, or merge the FAC.

Fifteen regional advertising cooperatives – the Bay Area, Sacramento/Stockton, Stanislaus/Merced, Monterey, Central Valley, North Bay, Bakersfield, Southern California, Butte/Shasta, Central Coast California, Dallas-Fort Worth, Arizona, Oregon, Reno and Utah Advertising Cooperatives -- currently exist. MMP may designate as a region any geographic area in which 2 or more Mountain Mike's® Pizza Restaurants are located in order to establish an advertising cooperative ("Cooperative"). The Cooperative's members in any area will include all Mountain Mike's® Pizza Restaurants operating in that area. MMP will determine in advance how to organize and govern each Cooperative and when it will begin operating. Each Cooperative's purpose is to administer advertising programs and develop promotional materials for the Cooperative's area. You must sign any documents MMP requires to become a Cooperative member and participate in the Cooperative as those documents require. While your Cooperative contribution currently does not exceed 2% of the Restaurant's Gross Sales, the Cooperative's members may increase the required contribution by a 2/3 vote of all franchisee members. Each franchisee has one vote, regardless of how many Mountain Mike's® Pizza Restaurants that franchisee operates in the Cooperative's area. You must pay MMP the Cooperative contribution when you pay the Royalty, and MMP will disburse funds as the Cooperative's marketing programs are instituted. MMP will pay the bills for Cooperative-approved programs directly to the service providers.

You must submit to MMP and the Cooperative any reports MMP requires. MMP will maintain and administer the Cooperative's account according to the Cooperative's governing documents, which you may review. MMP will operate the Cooperative only to collect and spend contributions in the Cooperative's area. MMP may use a Cooperative's funds to cover the reasonable salaries, administrative costs, travel expenses, and overhead MMP incurs in administering the Cooperative and its programs. The Cooperative and its members may not use any advertising or promotional plans or materials without MMP's prior written consent. MMP may form, change, dissolve, or merge any Cooperatives. While MMP need not prepare any financial statements for Cooperatives, it intends to keep records that you may review.

MMP may perform its rights and duties relating to Cooperatives through a separate entity when it deems best. That entity will have all of the rights and duties described here. As noted in Item 1, MMP's wholly owned subsidiary, MMP Regional Fund, currently maintains and administers the Cooperatives.

During MMP's fiscal year ending December 31, 2024, \$6,095,314 from MMP Regional Fund and \$3,165,859 from MMP National Fund was collectively expended in the following manner: 49% was spent on media placement, primarily television, radio, outdoor and digital marketing, 4% was spent on print and direct mail, 9% was spent on sports and other sponsorships, 13% was spent on audio/visual and creative production, in-restaurant marketing materials, in-house advertising, marketing related email programs, gift cards, website and digital marketing consulting, and online ordering, 18% was spent on administration and the California Association of Employers membership for all franchisees, and 7% was spent on other field marketing programs, including charitable and other small marketing spends.

#### Franchise System Website

MMP or its designees may (but is not obligated to) establish one or more websites for the Mountain Mike's® Pizza Restaurant network to advertise, market, and promote Mountain Mike's® Pizza Restaurants, the products and services they offer and/or the Mountain Mike's® Pizza Restaurant franchise opportunity; to function as the Intranet; and for any other purposes MMP deems appropriate for Mountain Mike's® Pizza Restaurants (the "System Website"). If MMP establishes a System Website, it may give you a separate interior webpage (accessible only through the System Website) referencing your Restaurant and/or otherwise allow you to participate in the System Website. You must develop your webpage at your own expense using a template MMP provides. MMP must pre-approve your webpage before it is posted by MMP's webmaster on the System Website and has the continuing right to monitor and pre-approve your webpage's form, content, and quality during the franchise term. MMP may reject your webpage if its form or content is unacceptable to MMP. Your webpage always must comply with System Standards. You may modify your webpage only through and with the pre-approval of MMP's webmaster. You must give MMP the information and materials it requests for you to participate in the System Website. They must be accurate and not misleading and not infringe any other party's rights. MMP will own all intellectual property and other rights in the System Website, your webpage, and all information they contain (including the log of "hits" by visitors and any personal or business data that visitors supply).

MMP will control, and may use Marketing Fund contributions to develop, maintain, operate, update, and market, the System Website, including your webpage (if any). MMP will update the information on your webpage, if any, or add information it approves as frequently as it deems appropriate. You must notify MMP whenever any information on your webpage changes or is not accurate. You must pay MMP's then current fee to participate in the various aspects of the System Website or as MMP otherwise requires to maintain and operate the System Website's various features and functions (if, or to the extent, the Marketing Fund does not pay for these costs). (See Item 6) MMP has final approval rights over all information on the System Website, including your webpage, if any. MMP may implement and periodically modify System Standards for the System Website.

MMP will maintain your webpage, if any, and otherwise allow you to participate in the System Website only while you are in substantial compliance with the Franchise Agreement and all System Standards (including those for the System Website). If you are in material default, MMP may, in addition to its other remedies, temporarily suspend your participation in the System Website until you fully cure the default. MMP will permanently terminate your access to and participation in the System Website when the franchise term ends.

All advertising, marketing, and promotional materials you develop for the Restaurant must contain notices of the System Website's URL in the manner MMP periodically designates. You may not develop, maintain, or authorize any other website, other online presence, or other electronic medium mentioning or describing the Restaurant or displaying any Marks without MMP's prior written approval. Except for the System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet. (Franchise Agreement —Section 9.D.)

### Intranet

MMP may, at its option, establish and maintain an Intranet and establish System Standards for the Intranet's use. These System Standards will address, among other things, (a) restrictions on using abusive, slanderous, or otherwise offensive language in electronic communications, (b) restrictions on communications among franchisees endorsing or encouraging breach of any franchisee's franchise agreement, (c) confidential treatment of materials MMP transmits via the Intranet, (d) password protocols and other security precautions, (e) grounds and procedures for MMP suspending or revoking a franchisee's access to the Intranet, and (f) a privacy policy governing MMP's access to and use of electronic communications franchisees post on the Intranet. While MMP expects to adopt and adhere to a reasonable privacy policy, it has the right to access and view any communication posted on the Intranet. MMP will own all intellectual property and other rights in the Intranet and all information it contains, including its domain name or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Restaurant's customers, whether that information is contained on your computer system or MMP's (or its designee's) computer system.

After MMP notifies you that the Intranet is functional, you must establish and continually maintain electronic connection with the Intranet allowing MMP to send messages to and receive messages from you. Your obligation to maintain connection with the Intranet applies during the entire franchise term (unless MMP dismantles the Intranet or suspends your access). You must

contribute reasonable amounts on an annual, quarterly, monthly, or other basis toward the cost of developing and maintaining the Intranet. (See Item 6) If you fail to pay when due any required amount, or fail to comply with any Intranet System Standard, MMP may (in addition to its other rights) temporarily suspend your access to any chat room, bulletin board, list-serve, or similar feature the Intranet includes until you fully cure the breach. (Franchise Agreement —Section 9.D.)

### POS/Electronic Information System

You must use a POS/electronic information system in operating your Restaurant. MMP currently has approved only the following POS system software provider for your restaurant operating system: Adora POS, LLC, 1328 Blue Oaks Blvd Ste. 180 Roseville, California 95678 (408) 425-2695. The system tracks sales data, coupon data, and inventory. Adora licenses the POS software to you under its Software License Agreement (the current version of which is attached as Exhibit M). You own the equipment purchased. MMP may require a different POS/electronic information system in the future and you will be required to sign any applicable software license agreement and/or participation agreement in order to use the system.

MMP has negotiated fixed pricing with Adora for your benefit. Purchasing a system costs from \$6,500 to \$18,000. Both the low and high ends require you to acquire hardware as well as the software. MMP receives no revenue from Adora. The POS/electronic information system has at least 4 workstations (2 at the service counter and 2 for phone orders) and an office computer (which can also be used as a workstation). Adora will provide ongoing maintenance, repairs, upgrades, or updates if you pay for them. Acquiring these services costs may come at no cost to you or up to approximately \$1,000 per year depending on the services you elect. MMP has no obligation to provide ongoing maintenance, repairs, upgrades, or updates. You must purchase the equipment from Adora. There is no compatible software you may use. You must maintain a dedicated high-speed broadband/DSL line for your modem. You must upgrade or update the POS/electronic information system during the franchise term as MMP requires. MMP will have independent access to the data you generate on the POS/electronic information system (excluding matters relating to labor relations and employment practices). There are no limits on MMP's right to access the data or to request system changes. (Franchise Agreement – Section 2.E.)

Your POS system must be integrated for online ordering through the Mountain Mike's® website. Adora's system provides integrated online ordering. Adora charges an additional fee ranging from \$.50-\$1.00 per online order depending on the number of online orders you receive per month (maximum of \$640 per month). You are also required to pay Adora a monthly fee of \$850 for use of the software, a software service fee which is currently \$120 per month, phone caller ID integration which is currently \$10 per month, and a backup wireless internet fee which is currently \$15 per month (applicable only when you do not purchase network equipment from Sangoma).

Sangoma and SafeHaven are MMP's designated suppliers of restaurant telephone service, equipment, and interactive voice response systems. You must sign up for all telephone services with these suppliers and pay the then-current rates, currently approximately \$120 per month.

Valutec Card Solutions, Inc. is MMP's designated supplier of MMP's gift card program. You must pay a fee of \$5 per month (plus transaction fees) for your participation in the gift card program.

You must ensure that the POS/electronic information system and networks are adequately maintained and protected from unauthorized access. You must subscribe to a service MMP specifies to install an appropriate firewall. You must ensure that all operating systems software is regularly maintained and updated in accordance with the manufacturers' specifications and in compliance with Payment Card Industry (PCI) Compliance Standards.

Heartland is currently the designated supplier of credit card devices and payment processing services, and MMP may negotiate fixed pricing with Heartland for your benefit. You must obtain from Heartland the credit card processors of the type and in the number, and the specific payment processing services, MMP designates. MMP anticipates that the average MMP franchisee will purchase 2 credit card devices, although the number of devices will depend on the franchisee. As of the date of this Disclosure Document, you must purchase a credit card device for approximately \$325 plus tax, pay a one-time setup fee is \$75, and pay the ongoing fees for required payment processing services which are approximately \$45 per month and \$0.04 per transaction, plus \$0.10 per transaction for online orders (plus, where applicable, an Amex fee of 0.52% plus AMEX Interchange Rate per transaction).

Additional value-added features will be added over time to MMP's technology platform and POS system to support increased consumer foot traffic, loyalty and overall store profitability. Examples of MMP enhancements may include, but are not limited to, equipment accessories and system upgrades, 3<sup>rd</sup> party delivery consolidation applications, driver GPS tracking, gift card and loyalty programs, mobile applications, and business intelligence and POS reporting enhancements. Incremental one time and/or monthly fees will be negotiated by MMP for the MMP franchise system.

### Opening

MMP estimates it will be 9 to 15 months after you sign the Franchise Agreement before you open the Restaurant, but the interval depends on the site's location and condition, the Restaurant's construction schedule, the extent to which you must upgrade or remodel an existing location, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training, and your compliance with local laws and regulations. You may not open the Restaurant until: (1) you develop the Restaurant according to MMP's specifications and standards, and MMP notifies you in writing that the Restaurant is acceptable; (2) pre-opening training is completed to MMP's satisfaction; (3) you pay the initial franchise fee and all other amounts then due to MMP; and (4) you give MMP copies of all required insurance policies or other evidence of insurance coverage and payment of premiums. Subject to these conditions, you must open the Restaurant for business within 15 months after signing the Franchise Agreement or by the date the lease specifies, whichever is earlier. (Franchise Agreement — Section 2.F.)

## Training

Before the Restaurant opens, MMP (and/or a development agent) will provide initial training on operating a Restaurant to you (or your managing owner) and one managerial employee. You will receive a maximum of 5 weeks of training, all of which currently occur via online courses, video calls, at the Mountain Mike's Franchise Support Center in California, at an operating Mountain Mike's® Pizza Restaurant in California or at a location that we designate. There are several different training Restaurants (all of which are franchised). MMP generally will train you at the training Restaurant located closest to you, which might require that you (or your managing owner) and one managerial employee to travel and stay at a training location for up to 4 weeks. You (or your managing owner) must also attend 2 days of orientation training at the franchise support center in Irvine, California. You (or your managing owner) and your manager must complete initial training to MMP's satisfaction so that the quality of the products, services, and Mountain Mike's® Pizza brand is maintained. Although there are no additional fees for this training, you must pay all travel and living expenses you and your managerial employees incur in training. (MMP does not provide an initial training program if you are renewing your franchise.)

All Restaurant management personnel will receive up to 10 days (at MMP's discretion) of additional training at the Restaurant. This training occurs before and after the Restaurant begins operating. You must pay MMP's then current fee for training a replacement Restaurant manager if your originally-appointed manager is not qualified to hold that position. If you (or your managing owner) cannot complete initial training to MMP's satisfaction, MMP may terminate the Franchise Agreement.

MMP expects training to occur after the Franchise Agreement is signed and while you are developing the Restaurant. MMP plans to be flexible in scheduling training to accommodate its personnel, you, and your personnel, but you will be required to complete training based on the schedule MMP provides. There currently are no fixed (*i.e.*, monthly or bi-monthly) training schedules. MMP uses online courses, digital manuals and other training aids during the training program. The following is a description of our initial training program as of the date of issuance of this Disclosure Document:

### **TRAINING PROGRAM**

Column 1  Subject	Column 2  Hours of Classroom Training	Column 3  Hours of On-the- Job Training	Column 4  Location
Orientation, Menu & Service	2-7	4-16	Franchise Support Center or another location we designate (which may be online)

Column 1  Subject	Column 2  Hours of Classroom Training	Column 3  Hours of On-the- Job Training	Column 4  Location
Stations & Functions	2-7	0	Franchise Support Center or another location we designate (which may be online)
Systems & Equipment	2-7	0	Franchise Support Center or another location we designate (which may be online)
Health & Finance	2-7	0	Franchise Support Center or another location we designate (which may be online)
Risk Management	2-7	0	Franchise Support Center or another location we designate (which may be online)
Prep Procedures	0	8-40	Designated MMP Training Restaurant
Cooking Procedures	0	8-40	Designated MMP Training Restaurant
Restaurant Management	0	4-48	Designated MMP Training Restaurant
Accounting	0	1-2	Designated MMP Training Restaurant
Shift Cycle	0	1-2	The Restaurant
Product Ordering	0	1-2	The Restaurant
Kitchen Setup	0	1-2	The Restaurant
Test Shifts	0	4-8	The Restaurant
Total Hours	10-35	32-160	

Representatives from MMP and/or its development agents (whose backgrounds are disclosed in Item 2) will supervise training. Training will be coordinated by Mountain Mike's® Pizza Restaurant employees who have concentrated in the areas they will teach and may include one or more development agents identified in Item 2.

You (or your managing owner) and/or previously trained and experienced managers must attend any periodic refresher training courses MMP provides and pay the applicable fees (see Item 6). Depending on the subject matter, these courses could last up to 10 days. MMP may hold them anywhere, although a California location is likely given the concentration of franchisees in that state. You also must pay MMP to train new managers hired after the Restaurant opens. You must help MMP train other franchisees. MMP will reimburse your out-of-pocket expenses for helping with this training.

## **Item 12** **TERRITORY**

### **Franchise Agreement**

You will operate the Restaurant at a specific location MMP first must accept. Once you locate and MMP accepts this site, MMP will identify your protected area (the “Protected Area”). MMP will not establish or allow a franchisee to establish another Mountain Mike’s® Pizza Restaurant with its physical location within the Protected Area. The Protected Area’s size typically will be a 1½ mile radius from your Restaurant. While no other Mountain Mike’s® Pizza Restaurant will be physically located within your Restaurant’s Protected Area, your Protected Area may overlap with another franchisee’s protected area (in other words, area in your Protected Area also may be in another franchisee’s protected area). The Protected Area’s size might be smaller or larger depending on the Restaurant’s location, traffic patterns, and the demographics of the Restaurant’s area. MMP identifies the Protected Area in a Franchise Agreement exhibit before you sign it. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You may not operate the Restaurant at another site without MMP’s prior written consent. Whether or not MMP would allow relocation depends on then current circumstances and what is in the Restaurant’s and the Mountain Mike’s® system’s best interests. Factors include, for example, the new location’s area, its proximity to other Restaurants in MMP’s system, whether you are in compliance with your Franchise Agreement, whether you properly de-identify the old location, and how long it will take you to open at the new location.

You must send MMP for processing all product orders to be shipped or mailed to customers rather than personally delivered by your Restaurant’s employees. MMP will fill all of these orders at its expense and receive payment from customers for them. MMP may retain all revenue from these orders. You may not fill any orders to be shipped or mailed to customers. In addition, you may not engage in any promotional activities, or sell any food-related products, directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the “Electronic Media”). There are no other restrictions on you from soliciting or accepting orders from outside the Protected Area. You have no options, rights of first refusal, or similar rights to acquire additional franchises within your Protected Area or contiguous territories.

You are required to offer delivery services directly from your Restaurant and we may, in our sole judgment, allow you to offer catering services. You must make accommodations for delivery and/or catering services in compliance with MMP’s System Standards, including limiting the delivery and/or catering services to any delivery and/or catering area MMP specifies to you in



writing. (See Item 8) Any delivery and/or catering area MMP specifies is not exclusive and MMP may engage, and/or allow other franchisees and third parties to engage, in any activities MMP desires within the delivery and/or catering area without any restrictions (including allowing other Mountain Mike's® Pizza Restaurant franchisees and delivery and/or catering service providers to provide delivery and/or catering services in the delivery area). Any delivery and/or catering area MMP specifies is nothing more than the geographic boundaries in which you may deliver those menu items approved for delivery and/or catering from your Restaurant, and no other rights are granted to you.

While no other Mountain Mike's® Pizza Restaurant will be physically located within your Restaurant's Protected Area, MMP (and its affiliates) otherwise are not restricted in the business activities in which they may engage, meaning you may face certain competition from other franchisees, from outlets MMP owns, or from other channels of distribution or competitive brands MMP controls. MMP (and its affiliates) may:

- (a) establish and allow other franchisees to establish Mountain Mike's® Pizza Restaurants anywhere outside the Protected Area (including at the boundary of the Protected Area) and on any terms and conditions it deems appropriate;
- (b) sell and deliver, and allow other franchisees to sell and deliver, products and services identified by the Marks to customers located within the Protected Area from Mountain Mike's® Pizza Restaurants physically located outside the Protected Area;
- (c) sell products identified by the Marks, or other trademarks or service marks, within and outside the Protected Area through any distribution channels MMP thinks best, wherever located or operating (including the Internet, mail order, convenience and grocery stores, hospitals, and schools), except not through Mountain Mike's® Pizza Restaurants physically located within the Protected Area; and
- (d) engage in any other business activities not expressly prohibited by the Franchise Agreement, both within and outside the Protected Area.

MMP need not compensate you if it engages in these activities.

Although MMP has the right to do so (as noted above), it has not established, and has no present plan to establish, other franchises or company-owned outlets or another channel of distribution selling or leasing similar products or services under a different trademark.

Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency. MMP may not alter the definition of your Protected Area except when you acquire a successor franchise.

### **Area Development Agreement**

The Area Development Agreement grants you the right to develop an agreed upon number of Mountain Mike's® Pizza Restaurants within a geographical area described in Exhibit A to the Area Development Agreement (the "Development Area"). The size of the Development Area will

depend on the number of Mountain Mike's® Pizza Restaurants suitable for the Development Area, as mutually determined in light of factors such as population density and the residential or commercial character of the area. The number of Mountain Mike's® Pizza Restaurants and the dates they are to be open and operating, including development schedules for such restaurants, will be set out in Exhibit A to the Area Development Agreement (the "Development Schedule").

You will not receive an exclusive territory in the Development Area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of the Area Development Agreement, as long as you and your affiliates are in compliance with the agreement and all other agreements with us or any of our affiliates (including Franchise Agreements signed under the Area Development Agreement), we will: (a) grant to you, in accordance with Section 3 of the Area Development Agreement, at least that cumulative number of franchises for Mountain Mike's® Pizza Restaurants set forth in Exhibit A to the Area Development Agreement, all of which must be located within the Development Area; and (b) not operate (directly or through an affiliate), nor grant the right to operate, any Mountain Mike's® Pizza Restaurants located within the Development Area, except for: (1) franchises granted pursuant to the Area Development Agreement; (2) Restaurants open (or under commitment to open) as of the date of the Area Development Agreement; (3) Mountain Mike's® Pizza Restaurants or other restaurants using any part or all of the System and/or Marks at non-traditional sites; and (4) restaurants that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether such restaurants are converted to operations as Mountain Mike's® Pizza Restaurants using any of the Marks and/or the System or whether such restaurants operate under other trademarks, service marks or trade dress and/or use other operating systems.




Except as otherwise expressly provided in the Area Development Agreement, we and all of our affiliates (and our or their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System and Restaurants anywhere in the world, and the right to engage in any business whatsoever (without compensation to you), including the right to: (a) operate, and grant to others the right to operate, Restaurants at such locations and on such terms and conditions as we deem appropriate; (b) sell any products or services under the Marks, or under other trademarks, service marks or trade dress, through alternative channels of distribution (including the internet or similar electronic media and supermarkets); (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, under the terms and conditions we deem appropriate; and (d) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Mountain Mike's® Pizza Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Development Area.



You must be developing, or have open and operating in the Development Area, at least the cumulative number of Mountain Mike's® Pizza Restaurants set out in the Development Schedule. We have no obligation under any circumstances to extend the Development Schedule. Your failure to develop and operate Mountain Mike's® Pizza Restaurants in accordance with the Development Schedule will be a material breach of the Area Development Agreement; however, our right to terminate the Area Development Agreement will be our exclusive remedy for your failure to meet

the Development Schedule. Except as noted above, a Developer's exclusivity in the Protected Area is not dependent on achieving certain sales volume, market penetration or any other contingency.

### **Item 13** **TRADEMARKS**

You may use certain Marks in operating the Restaurant. MMP's principal Marks are the following:

<b>MARK</b>	<b>REGISTRATION NUMBER</b>	<b>REGISTRATION DATE</b>	<b>RENEWED</b>
MOUNTAIN MIKE'S	1,716,963	September 15, 1992	Yes
	2,004,536	October 1, 1996	Yes
Pizza the way it oughta be®	2,174,312	July 21, 1998	Yes
	3,467,126	July 15, 2008	Yes
MINI CHURRS	6733278	May 24, 2022	Not due
MOUNTAIN REWARDS	6684305	March 29, 2022	Not due
	7022887	April 11, 2023	Not due

MARK	REGISTRATION NUMBER	REGISTRATION DATE	RENEWED
	4,703,140	March 17, 2015	Yes
	6,756,551	June 14, 2022	Not due

All required affidavits of use have been filed for these Marks.

You must follow MMP's rules when you use the Marks. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those MMP licenses to you); in selling any unauthorized services or products; as part of any domain name, electronic address, social media accounts/platforms, or search engine you maintain on any Electronic Media or otherwise in connection with a Website; or in any other way MMP has not expressly authorized in writing. To the extent you use any Mark in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of the Restaurant's employees and that MMP, as the franchisor of Mountain Mike's® Pizza Restaurants, is not their employer and does not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. No agreements limit MMP's right to use or license the Marks in a manner material to the franchise.

You must notify MMP immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than MMP, its attorneys, and your attorneys in any infringement, challenge, or claim. MMP may take the action it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You must sign the documents and take the action that, in the opinion of MMP's attorneys, are necessary or advisable to protect and maintain MMP's interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain MMP's interests in the Marks.

MMP will reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark if your use was consistent with the Franchise Agreement, the Operations Manual, and System Standards communicated to you and you have timely notified MMP of, and complied with MMP's directions in responding to, the proceeding. MMP may, at its option, defend and control the defense of any proceeding from your use of any Mark.

If it becomes advisable at any time in MMP's sole discretion for MMP and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you must comply with MMP's directions within a reasonable time after receiving notice. MMP will reimburse your reasonable direct expenses of changing your Restaurant's signs. However, MMP need not reimburse your revenue losses due to any modified or discontinued Mark or your expenses to promote a modified or substitute trademark or service mark.

MMP does not actually know of either superior prior rights or infringing uses that could materially affect your use of its principal Marks in any state.

### **Area Development Agreement**

The Area Development Agreement does not grant you the right to use any of the Marks. Your right to use the Marks is derived solely from the franchise agreements you enter into with us. You may not use any Mark as part of a corporate or legal business name or in any other manner not explicitly authorized in writing by us.

### **Item 14**

### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

No patents or patent applications are material to the franchise. MMP claims copyrights in the Operations Manual, advertising and marketing materials, menus, and similar items used in operating the franchise. MMP has not registered these copyrights with the United States Copyright Office but need not do so to protect them. You may use these items only as MMP specifies while operating your franchise (and must stop using them if MMP so directs you).

There currently are no effective determinations of the USPTO, the United States Copyright Office, or any court regarding any copyrighted materials. No agreements limit MMP's right to use or allow others to use the copyrighted materials. MMP does not actually know of any infringing uses that could materially affect your use of the copyrighted materials in any state. MMP need not protect or defend copyrights, although it intends to do so if in the best interests of the Mountain Mike's® system. MMP may control any action it chooses to bring, even if you voluntarily bring the matter to MMP's attention. MMP need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

The Operations Manual and other materials contain MMP's confidential information. This information includes site selection criteria; recipes; training and operations materials, manuals, and software; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Mountain Mike's® Pizza Restaurants; marketing and advertising programs for Mountain Mike's® Pizza Restaurants; knowledge of specifications for and suppliers of certain fixtures, furniture,

furnishings, equipment, products, materials, and supplies; proprietary computer software or similar technology; knowledge of the operating results and financial performance of Mountain Mike's® Pizza Restaurants other than your Restaurant; and graphic designs and related intellectual property.

MMP (and its affiliates) have the perpetual royalty-free right to use and allow other Mountain Mike's® franchisees to use, and you must fully and promptly disclose to MMP, all ideas, concepts, formulas, recipes, techniques, or materials concerning a Mountain Mike's® Pizza Restaurant that you and/or your employees conceive or develop during your franchise term.

You may not use MMP's confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others and use non-disclosure agreements with those having access to confidential information. However, MMP does not control the forms or terms of employment agreements you use with your employees and is not responsible for your labor relations or employment practices.

### **Item 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must at all times faithfully, honestly, and diligently perform your contractual obligations, continuously exert your best efforts to promote and enhance the Restaurant, and not engage in any other activity conflicting with your obligations to operate the Restaurant properly. System Standards may regulate staffing the Restaurant to ensure it operates in compliance with MMP's required standards and employee dress and appearance. However, you have sole responsibility and authority for your labor relations and employment practices, including employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must communicate clearly with Restaurant employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that MMP, as the franchisor of Mountain Mike's® Pizza Restaurants, is not their employer and does not engage in any employer-type activities (including those described above) for which only franchisees are responsible. Restaurant employees are under your control at the Restaurant. You must obtain an acknowledgment (in the form we specify or approve) from all Restaurant employees that you (and not we) are their employer.

Although MMP recommends it, you (or your managing owner) need not participate personally in the Restaurant's on-site operation. In that case, however, you must employ a manager to manage the Restaurant's day-to-day operations on-site. Your manager must complete initial training to MMP's satisfaction. This manager need not have an equity interest in you or the Restaurant but must agree in writing to preserve confidential information to which he or she has access and not to compete with Mountain Mike's® Pizza Restaurants.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and Area Development Agreement and agree personally to be bound by, and to be liable for the breach of, every contractual provision, both monetary and non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is part of the Franchise Agreement and

Area Development Agreement. Your officers, directors, and key personnel also must comply with this requirement. MMP's standard "Principal's Agreement" is Exhibit D. The noncompetition covenants from key personnel are necessary to protect MMP's confidential information and the competitiveness of Mountain Mike's® Pizza Restaurants. However, MMP does not control the forms or terms of employment agreements you use with your employees and is not responsible for your labor relations and employment practices.

### **Item 16**

## **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

### **Franchise Agreement**

You must offer all products and perform all services MMP periodically requires for Mountain Mike's® Pizza Restaurants. You may not offer any products or perform any services MMP has not authorized. (See Item 8) MMP's System Standards may regulate required or authorized products and services; product and service categories; product preparation, storage, handling, and packaging procedures; and product inventory requirements. MMP periodically may change required and/or authorized products and services and product and service categories. There are no limits on MMP's right to do so.

### **Area Development Agreement**

The Area Development Agreement contains no provisions restricting the goods and services you offer. However, with respect to each Restaurant developed under the Area Development Agreement, you will be subject to the restrictions on goods and services contained in our then-current standard franchise agreement. The restrictions in our current Franchise Agreement are set out above.

### **Item 17**

## **RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
(a) Length of the franchise term	1.D. of Franchise Agreement and 3 of Renewal Rider	15 years (you must operate Restaurant for full term unless Franchise Agreement is properly terminated)  If you are in the process of renewing your existing

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
		franchise because it soon will expire, the renewal term is 10 years (because that is what your existing franchise agreement says)
(b) Renewal or extension of the term	13 of Franchise Agreement and 13 of Renewal Rider	<p>If you are in good standing, you may acquire a successor franchise for 10 years on MMP's then current terms (which may be materially different from those in your current Franchise Agreement)</p> <p>If you are in the process of renewing your existing franchise because it soon will expire, you have no right to another term after 10 years</p>
(c) Requirements for franchisee to renew or extend	13 of Franchise Agreement and 13 of Renewal Rider	<p>Give timely notice, maintain possession of premises or secure acceptable substitute premises, remodel Restaurant under MMP's then current standards, sign new agreement (which may contain materially different terms) and other documents, and pay successor franchise fee</p> <p>Terms of MMP's new franchise agreement you sign for successor franchise may differ materially from any and all of those contained in Franchise Agreement attached to this disclosure document</p>
(d) Termination by franchisee	14.A. of Franchise Agreement	If MMP breaches agreement and does not cure default after notice from you



<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
(e) Termination by franchisor without cause	Not Applicable	MMP may not terminate Franchise Agreement without cause
(f) Termination by franchisor with cause	14.B. of Franchise Agreement	MMP may terminate Franchise Agreement only if you or your owners commit one of several violations
(g) “Cause” defined – curable defaults	14.B. of Franchise Agreement	Under Franchise Agreement, you have 3 days to cure health, safety, or sanitation law violations; 10 days to cure monetary defaults and failure to maintain required insurance coverage; and 30 days to cure operational defaults and other defaults not listed in (h) below
(h) “Cause” defined – non-curable defaults	14.B. of Franchise Agreement	Non-curable defaults include failure to complete training, failure to open Restaurant within 180 days, abandonment, unapproved transfers, material misrepresentations or omissions, conviction of a felony, failure to transfer on death or disability, MMP sends notice of termination under another franchise agreement, dishonest or unethical conduct, loss of right to possess the premises, unauthorized use or disclosure of Operations Manual or confidential information, failure to pay taxes, failure to comply with System Standard modifications within required time period, repeated defaults (even if cured), an assignment for benefit of creditors, an appointment of a trustee or

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
		receiver, and violation of any anti-terrorism law
(i) Franchisee's obligations on termination / nonrenewal	14.B. and 15 of Franchise Agreement	Obligations include paying outstanding amounts; complete de-identification; assigning telephone and other numbers, domain names, Websites, and social media accounts; returning confidential information; and sending MMP a list of all Restaurant assets (also see (o) and (r) below); MMP may assume Restaurant's management while deciding whether to purchase Restaurant's assets
(j) Assignment of contract by franchisor	12.A. of Franchise Agreement	No restriction on MMP's right to assign; MMP may assign without your approval  No restriction on Adora's right to assign
(k) "Transfer" by franchisee – defined	12.B. of Franchise Agreement	Includes transfer of Franchise Agreement, sale of Restaurant's assets, and ownership change (including adding owners to or deleting owners from Franchise Agreement)
(l) Franchisor approval of transfer by franchisee	12.C. of Franchise Agreement	No transfer without MMP's prior written consent
(m) Conditions for franchisor approval of transfer	12.C. of Franchise Agreement	New franchisee qualifies and submits bona fide offer, you pay MMP all amounts due and submit all reports, new franchisee (and its owners and affiliates) does not engage in competitive business, training completed, lease transferred, you or transferee signs MMP's

Provision	Section in franchise or other agreement	Summary
		then current franchise agreement and other documents (any and all terms of which may differ materially from your Franchise Agreement, except that new franchise agreement term will equal your Franchise Agreement's unexpired term and Protected Area definition, Royalty, Marketing Fund contribution, and Cooperative contribution under new franchise agreement will remain the same as under your Franchise Agreement), transfer fee paid (see Item 6), MMP approves material terms, you or the transferee agree to remodel and/or expand the Restaurant, add or replace improvements and Operating Assets, and otherwise modify the Restaurant as we require, you subordinate amounts due to you, you de-identify, and you sign other documents MMP requires (including release, if state franchise law allows) (also see (r) below)
(n) Franchisor's right of first refusal to acquire franchisee's business	12.G. of Franchise Agreement	MMP may match any offer for your Restaurant or an ownership interest in you
(o) Franchisor's option to purchase franchisee's business	14.E. of Franchise Agreement	MMP has option to buy the Restaurant at fair market value after Agreement terminates or expires (without renewal)
(p) Death or disability of franchisee	12.E. of Franchise Agreement	Assignment of franchise or an ownership interest in you to approved party within 6 months; MMP may assume Restaurant's management if

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
		qualified manager is not managing Restaurant
(q) Non-competition covenants during the term of the franchise	7 of Franchise Agreement	No diverting business; no controlling ownership interest in, or performing services for, competitive business anywhere
(r) Non-competition covenants after the franchise is terminated or expires	15.D. of Franchise Agreement	No direct or indirect ownership interest in, or performing services for, competing business for 2 years at Restaurant's premises, within the Protected Area, or within one mile of any other Mountain Mike's® Pizza Restaurant (same restrictions apply after transfer)
(s) Modification of the agreement	17.J. of Franchise Agreement	No modifications generally, but Operations Manual and System Standards are subject to change
(t) Integration/merger clause	17.L. of Franchise Agreement	Only the terms of the Franchise Agreement (including the Operations Manual) are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable

Provision	Section in franchise or other agreement	Summary
		<p><i>The following provision applies only to franchisees and franchises that are subject to state registration/disclosure laws in: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, Virginia, Washington and Wisconsin.</i></p> <p>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.</p>
(u) Dispute resolution by arbitration or mediation	17.F. of Franchise Agreement	Except for certain claims, MMP and you must arbitrate all disputes within 10 miles of MMP's then existing principal business address (currently in California) (subject to state law)
(v) Choice of forum	17.H. of Franchise Agreement	Litigation generally must be commenced in state or federal court located closest to MMP's then existing principal business address when action

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
		is commenced (currently in California) (subject to state law)
(w) Choice of law	17.G. of Franchise Agreement	Except for Federal Arbitration Act and other federal law, California law governs (subject to state law)

### **Development Agreement**

**This table lists certain important provisions of the Development Agreement. You should read these provisions in the agreement attached to this disclosure document.**

<b>Provision</b>	<b>Section in development or other agreement</b>	<b>Summary</b>
(a) Length of the franchise term	Section 2.01 of Area Development Agreement	Mutually agreed upon
(b) Renewal or extension of the term	Section 2.01 of Area Development Agreement	No renewal
(c) Requirements for developer to renew or extend	Section 2.01 of Area Development Agreement	You have no right to renew or extend your rights under this Agreement.
(d) Termination by developer	Not applicable	Not applicable
(e) Termination by franchisor without cause	Not applicable	Not applicable
(f) Termination by franchisor with cause	Section 8 of Area Development Agreement	We can terminate only for specified causes
(g) “Cause” defined: curable defaults	Section 8.02 of Area Development Agreement	30 days to cure certain breaches of the Development Agreement.
(h) “Cause” defined- non-curable defaults	Sections 8.01 and 8.02 of Area Development Agreement	Includes insolvency; failure to meet development schedule; unauthorized transfer; misrepresentations; conviction of a felony; unauthorized disclosure of confidential information; any default by you under a

<b>Provision</b>	<b>Section in development or other agreement</b>	<b>Summary</b>
		franchise agreement; adverse franchise legislation.
(i) Developer's obligations on termination/nonrenewal	Section 9 of Area Development Agreement	Comply with covenant not to compete
(j) Assignment of contract by franchisor	Section 10.08 of Area Development Agreement	No restriction on our right to assign
(k) "Transfer" by developer defined	Section 1.04 of Area Development Agreement	Includes transfer of agreement, sale of business and ownership changes.
(l) Franchisor's approval of transfer by developer	Not applicable	You are not permitted to transfer the development agreement.
(m) Conditions for franchisor's approval of transfer	Not applicable	Not applicable
(n) Franchisor's right of first refusal	Section 7.06 of Area Development Agreement	We can match any offer for your development rights.
(o) Franchisor's option to purchase developer's development rights	Not applicable	Not applicable
(p) Death or disability of developer	Section 7.05 of Area Development Agreement	Franchise must be assigned by estate to approved buyer within nine months.
(q) Non-competition covenants during the term of the agreement	Section 6.02 of Area Development Agreement	No involvement in any competing business regardless of its location.
(r) Non-competition covenants after the agreement is terminated or expires	Section 9.02 of Area Development Agreement	No competing business for 2 years within your Development Area or within 1 mile of any other Mountain Mike's® Pizza Restaurant.
(s) Modification of the agreement	Section 10.10 of Area Development Agreement	No modifications except by written agreement signed by both parties.
(t) Integration/merger clause	Section 10.10 of Area Development Agreement	Only terms of Development Agreement are binding (subject to state law); any

Provision	Section in development or other agreement	Summary
		<p>representations or promises outside the disclosure document and development agreement may not be enforceable. However, nothing in the Development Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.</p> <p><i>The following provision applies only to franchisees and franchises that are subject to state registration/disclosure laws in: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, Virginia, Washington and Wisconsin.</i></p> <p>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.</p>



<b>Provision</b>	<b>Section in development or other agreement</b>	<b>Summary</b>
(u) Dispute resolution by negotiation, mediation & arbitration	Section 10.06 of Area Development Agreement	Except for certain claims, MMP and you must arbitrate all disputes within 10 miles of MMP's then existing principal business address (currently in California) (subject to state law)
(v) Choice of forum	Section 10.05 of Area Development Agreement	Litigation generally must be commenced in state or federal court located closest to MMP's then existing principal business address when action is commenced (currently in California) (subject to state law)
(w) Choice of law	Section 10.07 of Area Development Agreement	Except for Federal Arbitration Act and other federal law, California law governs (subject to state law)

## **Item 18** **PUBLIC FIGURES**

MMP does not use any public figure to promote its franchise.

## **Item 19** **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

On December 31, 2024, there were 299 Mountain Mike's® Pizza Restaurants open and in operation. Of those 299 Mountain Mike's® Pizza Restaurants, 276 were open and in continuous operation during the entire 2024 calendar year. The analysis below is based solely on the yearly gross sales for those 276 Mountain Mike's® Pizza Restaurants for 2024.

The following tables refer to "Gross Sales". "Gross Sales" means all revenue from operating a Mountain Mike's® Pizza Restaurant (including proceeds of business interruption

insurance, all rental income and the amounts charged to customers for menu items delivered by third party delivery service providers); excluding taxes collected from customers and customer refunds and credits.

**Table 1**

**Range of Gross Sales  
Restaurants Operating for the Entire 2024 Calendar Year**

The following table shows the ranges of Gross Sales for the 276 Mountain Mike's Pizza® Restaurants operating for the entire 2024 calendar year and the number of Mountain Mike's Pizza® Restaurants:

<b>Range of Gross Sales for 2024</b>	<b># of Restaurants within Range of Gross Sales</b>	<b>% of Restaurants within Range of Gross Sales</b>
Greater than \$1,500,000	39	14%
\$1,250,000 to \$1,500,000	33	12%
\$1,000,000 to \$1,250,000	72	26%
\$750,000 to \$1,000,000	79	29%
\$500,000 to \$750,000	48	17%
Below \$500,000	5	2%
Total	276	100%

**Table 2**

**Systemwide Gross Sales  
Restaurants Operating for the Entire 2024 Calendar Year**

The following Table provides systemwide average, highest, lowest, and median Gross Sales for the 276 Mountain Mike's Pizza® Restaurants operating for the entire 2024 calendar year.

Number of Restaurants	276
2024 Average Gross Sales	\$1,077,442
Highest Gross Sales	\$2,886,243
Lowest Gross Sales	\$406,305
# of Restaurants Exceeding Average Gross Sales	118
% of Restaurants Exceeding Average Gross Sales	43%
Median Gross Sales	\$1,014,883

**Table 3**  
**Systemwide Gross Sales by Top 10%, 25%, 50%, 75% and All**  
**Restaurants Operating for the Entire 2024 Calendar Year**

The following Table provides average Gross Sales for top 10%, top 25%, top 50%, top 75% and all 276 Mountain Mike's® Pizza Restaurants operating for the entire calendar year ending 2024.

	Top 10%	Top 25%	Top 50%	Top 75%	All
Number of Restaurants	28	69	138	207	276
Average Gross Sales	\$1,847,252	\$1,593,636	\$1,361,494	\$1,212,143	\$1,077,442
Number and Percent that Met or Exceeded the Average Gross Sales	10 / 36%	27 / 39%	55 / 40%	79 / 38%	118 / 43%
Median Gross Sales	\$1,730,308	\$1,531,874	\$1,262,278	\$1,123,341	\$1,014,883
Range of Gross Sales (High)	\$2,886,243	\$2,886,243	\$2,886,243	\$2,886,243	\$2,886,243
Range of Gross Sales (Low)	\$1,592,191	\$1,262,978	\$1,018,756	\$787,814	\$406,305

**Table 4**  
**Systemwide Gross Sales and Food and Labor Costs**  
**Restaurants Operating for the Entire 2024 Calendar Year and Reporting**

Number of Reporting Restaurants	180
Average Gross Sales	\$1,110,998
Average Food Cost as % of Gross Sales	25.0%
Average Labor Cost as % of Gross Sales	28.8%
Average Prime Costs as % of Gross Sales	53.8%

Notes:

1. All cost data included in the table above was reported to us by franchisees and is unaudited.
2. Food Cost includes total expenses incurred for purchasing ingredients, beverages, and other consumable goods necessary for menu preparation and service. These costs include raw materials and packaging for food items used in the Restaurant's operations.
3. Labor includes all expenses associated with staffing the restaurant, including wages for all hourly and salaried team members, managers, bonuses, payroll taxes, benefits, and owner's salary.
4. Prime Cost is the sum of Food Cost percentage and Labor percentage, representing the total direct costs of running the Restaurant's operations.
5. Prime Costs are not the only costs you will have in operating a Mountain Mike's® Pizza Restaurant. For example, you will also have costs for occupancy, royalty, marketing fund

- contributions, advertising cooperative contributions, local advertising, insurance, equipment (including computer system), and other expenses.
6. Excluded from the table above are 96 restaurants that were open and operating for the entire 2024 calendar year that did not report their costs to us.

### **General Notes**

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

We calculated the data above based on unaudited sales reports provided to us by Mountain Mike's® Pizza Restaurant franchisees. We have not audited nor independently verified this information. We will make available to you, upon reasonable request, written substantiation of the data used in preparing this Item 19. However, we will not disclose the identity or sales data of any particular Mountain Mike's® Pizza Restaurant franchisee without the consent of that franchisee, except to any applicable state registration authorities.

These financial performance representations do not include information concerning net profits that may be realized in the operation of a Mountain Mike's® Pizza Restaurant.

Other than the financial performance representations above, MMP does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. MMP also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, MMP may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jim Metevier, 110 Theory, Suite 150, Irvine, CA 92617, (949) 200-7932, the Federal Trade Commission, and the appropriate state regulatory state agencies.

## **Item 20** **OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

### **Systemwide Outlet Summary For years 2022 to 2024**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	246	265	+19
	2023	265	279	+14

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
	2024	279	299	+20
Company- Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	246	265	+19
	2023	265	279	+14
	2024	279	299	+20

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2022	23
	2023	25
	2024	23
Total	2022	23
	2023	25
	2024	23

**Table No. 3**

**Status of Franchised Outlets  
For years 2022 to 2024**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termination s	Non- Renewal s	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Arizona	2022	0	3	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	2	0	0	0	0	5
California	2022	240	11	0	1	0	0	250
	2023	250	10	0	0	0	1	259
	2024	259	6	1	0	0	0	264
Colorado	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Idaho	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
Nevada	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Oregon	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Texas	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	7	0	0	0	0	9
Utah	2022	2	2	0	0	0	0	4

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
	2023	4	3	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Washington	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	246	20	0	1	0	0	265
	2023	265	15	0	0	0	1	279
	2024	279	21	1	0	0	0	299

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2022 to 2024**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	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 31, 2024**

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed as of 12/31/24 But Restaurants Not Opened as of 12/31/24	Projected New Franchised Restaurants In the Next Fiscal Year	Projected New Company-Owned Restaurants In the Next Fiscal Year
Arizona	3	1	0
Arkansas	1	0	0
California	16	12	0
Colorado	1	1	0
Florida	1	0	0
Idaho	0	0	0
Nevada	6	5	0
Oklahoma	1	1	0
Oregon	2	1	0
Texas	10	3	0
Utah	2	0	0
Washington	4	2	0
Wisconsin	2	3	0
Totals	49	29	0

Exhibit H is a list of all Mountain Mike's® Pizza Restaurant franchisees as of MMP's most recent fiscal year ended December 31, 2024, and the addresses and telephone numbers of their Restaurants. Exhibit J has the names, city and state, and current business telephone numbers (or, if unknown, the last known home telephone numbers) of the 23 franchisees who had outlets transferred and the 1 franchisee whose outlet was terminated, cancelled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under MMP's Franchise Agreement in the last fiscal year, or who have not communicated with MMP within 10 weeks of the disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In the past three years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Mountain Mike's® Pizza franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. There are no trademark-specific franchisee organizations associated with the Mountain Mike's® Pizza franchise system required to be disclosed in this Item.



**Item 21**  
**FINANCIAL STATEMENTS**

MMP's audited financial statements as of and for the years ended December 31, 2024, December 31, 2023 and December 31, 2022 are included in Exhibit A.

**Item 22**  
**CONTRACTS**

The following agreements/documents are exhibits:

- (a) Franchise Agreement – Exhibit B
- (b) Franchisor Lease Addendum – Exhibit C
- (c) Principal's Agreement – Exhibit D
- (d) Area Development Agreement – Exhibit E
- (e) Bank Account Debit Authorization – Exhibit I
- (f) Renewal Rider to Franchise Agreement – Exhibit K
- (g) Franchisee Representations – Exhibit L
- (g) Adora Point-of-Sale System Service (SaaS) Agreement – Exhibit M

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**Item 23**  
**RECEIPTS**

MMP's and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

**EXHIBIT A**  
**FINANCIAL STATEMENTS**



## Mountain Mike's Pizza, LLC

Consolidated Financial Statements  
Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

**BDO**

## **Mountain Mike's Pizza, LLC**

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Consolidated Financial Statements  
Years Ended December 31, 2024 and 2023

# Mountain Mike's Pizza, LLC

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Costa Mesa, CA 92626

## Independent Auditor's Report

Board of Managers  
Mountain Mike's Pizza, LLC  
Newport Beach, California

### *Opinion*

We have audited the consolidated financial statements of Mountain Mike's Pizza, LLC and its subsidiaries, (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, member's equity, and cash flows for the years 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, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

In preparing the 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 within one year after the date that the consolidated financial statements are available to be issued.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.



### *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.

BDO USA, P.C.

April 18, 2025

## **Consolidated Financial Statements**

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# Mountain Mike's Pizza, LLC

## Consolidated Balance Sheets

December 31,	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 1,198,908	\$ 1,539,170
Restricted cash	1,461,702	1,459,684
Accounts receivable, net of allowance for credit losses of \$17,000 and \$12,253, respectively	3,139,000	2,447,864
Prepaid expenses and other current assets	1,086,809	520,792
Notes receivable, current portion	15,614	44,630
<b>Total Current Assets</b>	<b>6,902,033</b>	<b>6,012,140</b>
Property and Equipment, Net	493,154	85,871
Intangible Assets, Net	16,174,785	16,627,071
Goodwill	20,145,000	20,145,000
Notes Receivable, net of current portion	339,263	408,103
Right of Use Asset	-	287,288
Other Assets	147,496	117,403
Costs to Obtain Contracts, net of current	5,779,356	1,257,850
<b>Total Assets</b>	<b>\$ 49,981,087</b>	<b>\$ 44,940,726</b>
<b>Liabilities and Member's Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,010,717	\$ 1,149,260
Accrued expenses	346,594	698,704
Marketing fund obligations	1,461,702	1,459,684
Deferred revenue, current portion	1,486,667	1,482,500
Lease liability	-	295,992
<b>Total Current Liabilities</b>	<b>4,305,680</b>	<b>5,086,140</b>
Deferred Revenue, net of current portion	-	61,667
Sellers Note, Net of debt issuance costs	1,973,398	5,769,103
<b>Total Liabilities</b>	<b>6,279,078</b>	<b>10,916,910</b>
<b>Commitments and Contingencies (Note 8)</b>		
<b>Member's Equity</b>	<b>43,702,009</b>	<b>34,023,816</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 49,981,087</b>	<b>\$ 44,940,726</b>

See accompanying notes to consolidated financial statements.

**Mountain Mike's Pizza, LLC**  
**Consolidated Statements of Operations**

<i>Year ended December 31,</i>	2024	2023
<b>Revenues</b>		
Royalties	\$ 15,283,885	\$ 14,914,132
Franchise advertising fees	9,039,383	8,990,294
Other revenue	6,103,197	5,632,986
<b>Total Revenues</b>	<b>30,426,465</b>	<b>29,537,412</b>
<b>Operating Expenses</b>		
Selling, general, and administrative	9,106,226	9,360,094
Franchise advertising fee	9,039,383	8,990,294
Depreciation and amortization	514,870	500,482
Area developer right buyout	6,924,701	-
Impairment on note receivable	-	200,000
<b>Total Operating Expenses</b>	<b>25,585,180</b>	<b>19,050,870</b>
<b>Operating Income</b>	<b>4,841,285</b>	<b>10,486,542</b>
<b>Other Income (Expense)</b>		
Interest expense, net	(174,105)	(744,333)
Loss on debt extinguishment	(101,622)	-
Gain on disposal of fixed assets	38,373	-
<b>Total Other Expense</b>	<b>(237,354)</b>	<b>(744,333)</b>
<b>Income, before taxes</b>	<b>4,603,931</b>	<b>9,742,209</b>
<b>State franchise tax expense</b>	<b>15,024</b>	<b>18,534</b>
<b>Net income</b>	<b>\$ 4,588,907</b>	<b>\$ 9,723,675</b>

*See accompanying notes to consolidated financial statements.*

## Mountain Mike's Pizza, LLC

### Consolidated Statements of Member's Equity

Balance, at January 1, 2023	\$ 34,880,131
Net income	9,723,675
Distributions to member	(10,579,990)
Balance, at December 31, 2023	34,023,816
Net income	4,588,907
Contributions from member	15,881,500
Distributions to member	(10,792,214)
Balance, at December 31, 2024	\$ 43,702,009

*See accompanying notes to consolidated financial statements.*

# Mountain Mike's Pizza, LLC

## Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2024	2023
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 4,588,907	\$ 9,723,675
Adjustments to reconcile net income (loss) to net cash and restricted cash provided by (used in) operating activities:		
Depreciation and amortization	514,870	500,482
Provision for credit losses	27,055	6,000
Paid in kind interest expense	82,848	711,284
Loss of debt extinguishment	101,622	-
Gain on disposal of fixed assets	(38,373)	-
Amortization of debt issuance costs	21,065	58,231
Amortization of contract acquisition costs	535,406	108,294
Impairment of note receivable	-	200,000
Changes in operating assets and liabilities:		
Accounts receivable	(718,191)	25,909
Prepaid expenses and other assets	(5,653,022)	(462,895)
Accounts payable	(138,543)	13,109
Marketing fund obligations	2,018	299,408
Deferred revenue	25,000	429,583
Accrued expenses	(352,110)	394,175
Notes receivable	15,356	44,767
Lease liability	(8,704)	213
<b>Net Cash and Restricted Cash (Used in) Provided by Operating Activities</b>	<b>(994,796)</b>	<b>12,052,235</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(431,494)	(21,585)
<b>Net Cash Used in Investing Activities</b>	<b>(431,494)</b>	<b>(21,585)</b>
<b>Cash Flows from Financing Activities:</b>		
Member distributions	(10,792,214)	(10,579,990)
Member contributions	15,881,500	-
Proceeds from 2024 Sellers Note	2,000,000	-
Payments towards 2022 Sellers Note	(5,961,241)	(3,400,000)
Payments of debt issuance costs	(39,999)	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,088,046</b>	<b>(13,979,990)</b>
<b>Net Decrease in Cash and Restricted Cash</b>	<b>(338,244)</b>	<b>(1,949,340)</b>
<b>Cash and Restricted Cash, beginning of year</b>	<b>2,998,854</b>	<b>4,948,194</b>
<b>Cash and Restricted Cash, end of year</b>	<b>\$ 2,660,610</b>	<b>\$ 2,998,854</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for state franchise taxes	\$ 15,024	\$ 18,534
Cash paid for interest	88,887	1,012,532
<b>Supplemental Disclosure of Non-Cash Activities</b>		
Termination of area developer agreement and write-off of associated note receivable and deferred revenue	\$ 82,500	\$ -
Conversion of collateral held for sale into note receivable	-	380,000

See accompanying notes to consolidated financial statements.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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### 1. Organization

Mountain Mike's Pizza, LLC (MMP or the Company) is the franchisor of Mountain Mike's Pizza, a system of fast casual restaurants featuring upscale, made-to-order pizzas. As of December 31, 2024 and 2023, there were 299 and 279, respectively, Mountain Mike's Pizza restaurants, all of which are franchised. The majority of the Company's operations are located in California, with five restaurants located in Arizona, three restaurants in Idaho, three restaurants in Nevada, five in Oregon, nine in Texas, two in Colorado, one in Washington, and seven in Utah.

The Company was organized as a limited liability company under the laws of Delaware on February 24, 2017, and has a single member. On April 4, 2017, the Company acquired substantially all of the assets of the Mountain Mike's Pizza brand from Concept Acquisitions, LLC (COAC).

### 2. Summary of Significant Accounting Policies

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of MMP and its three wholly owned subsidiaries, OC Hospitality, LLC (OCH), MMP Regional Promotion Fund, Inc. (MMPR) and MMP National Promotion Fund, Inc. (MMPN). MMPR and MMPN are collectively referred to as the "Marketing Funds". The Marketing Funds were formed in California on March 22, 2017, for the purpose of holding advertising and marketing funds on behalf of MMP's franchisees. These funds are deployed into advertising and marketing initiatives on both the local and regional level to drive sales growth at MMP's franchised restaurants, support communities in which MMP's restaurants are located and increase customer recognition of the Mountain Mike's Pizza brand. The Company treats the collection and disbursement of amounts within the Marketing Funds as contractual obligations, resulting in an agency relationship under which such designated funds are required to be segregated and used for the purposes specified above. Refer to franchise advertising fees in Revenue Recognition below for the description of the accounting for these transactions. OCH was formed in December 2022 to hold certain notes receivable and had no activity for the years ended December 31, 2024 and 2023. All intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financials are presented as of and for the years ended December 31, 2024 and 2023.

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates. Principal areas requiring the use of estimates include the allowance for credit losses, and impairment of goodwill, long lived assets and intangible assets.

#### *Cash*

The Company maintains cash balances at financial institutions, and at times, balances may exceed federally insured limits. The Company has not experienced losses related to these balances and believes it is not exposed to any significant credit risk on such accounts.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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### ***Restricted Cash***

The Marketing Funds hold cash on behalf of MMP's franchisees for advertising and marketing purposes (see Principles of Consolidation). The cash balances of \$1,461,702 and \$1,459,684 as of December 31, 2024 and 2023, respectively, are classified as restricted cash with a corresponding marketing fund obligation liability on the accompanying consolidated balance sheets.

The following table provides a reconciliation of cash and restricted cash reported in the consolidated balance sheets to the same total reported in the consolidated statements of cash flows.

<i>December 31,</i>	<b>2024</b>		<b>2023</b>	
Cash	\$	1,198,908	\$	1,539,170
Restricted cash		1,461,702		1,459,684
<hr/>				
Cash and restricted cash, end of year on the Statement of Cash Flow	\$	2,660,610	\$	2,998,854

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### ***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable consist of royalty billings to franchisees, franchise fees, and licensing fees due from key vendors, net of an allowance for credit losses. Terms of accounts receivable generally range from ten days to 90 days. The Company recognizes an allowance for credit losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and estimated future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Company assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in selling, general, and administrative expenses on the accompanying consolidated statements of operations.

### ***Property and Equipment, Net***

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. See Note 3.

Major renewals and betterments are capitalized while maintenance costs and repairs are expensed in the period incurred.

### ***Notes Receivable***

Notes receivable consist of company loans made to franchise owners and area developers for the purchase of initial or additional franchises. At the point management determines balances are uncollectible from certain franchise owners and area developers, the Company will discontinue recognition of interest income related to those notes receivable. Interest income on notes receivable is accrued as earned using the simple interest method. See Note 5.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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### ***Long Lived and Intangible Assets***

The Company reviews long lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. There were no such events or changes in circumstances that occurred during 2024 or 2023.

Recoverability of long-lived assets is measured by comparing the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

The Company makes judgments about the recoverability of purchased intangible assets with finite lives whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of purchased intangible assets with finite lives is measured by comparing the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. No impairments were recorded as of December 31, 2024 and 2023.

### ***Goodwill***

Goodwill represents the excess of cost over fair value of net identified assets acquired in business combinations accounted for under the acquisition method.

The Company does not amortize its goodwill. The Company performs its impairment test annually at its fiscal year end, or more frequently if impairment indicators arise. Such review entails a qualitative analysis of factors included in the relevant accounting literature. No impairments were recorded as of December 31, 2024 and 2023.

### ***Debt Issuance Costs***

Fees related to the issuance or refinancing of long-term debt are capitalized and amortized over the term of the debt using the effective interest rate method and presented in the consolidated balance sheets as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. The unamortized balance of debt issuance costs was \$26,602 and \$109,290 as of December 31, 2024 and 2023, respectively.

### ***Lease Commitments***

The Company follows Accounting Standards Codification (ASC) 842, *Leases*, to account for its leasing arrangements. The lease accounting standard requires all leases to be reported on the consolidated balance sheet as right-of-use assets and lease obligations.

Operating lease liabilities and right-of-use (ROU) assets are recognized at the lease commencement date or the date the leases were acquired based on the present value of the future minimum lease payments over the remaining lease term. The Company has elected the practical expedient permitted under the private company guidance allowing the use of the risk-free treasury rate at the lease commencement date for the duration of the remaining lease term, unless the rate is implicit in the contract, then the Company uses the implicit rate to discount the present value of the future minimum lease payment.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet; the Company recognizes the lease expense for these leases on a straight-line basis over the lease term. The Company elected the short-term lease measurement exemption provided in ASC 842.

### ***Fair Value of Financial Instruments***

Relevant accounting guidance establishes a framework for measuring fair value and clarified that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

The guidance requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of inputs as follows: Level 1 quoted prices in active markets for identical assets or liabilities; Level 2 quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or Level 3 unobservable inputs for the asset or liability, such as discounted cash flow models or valuations. The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying amounts of most of the Company's financial instruments, including cash and cash equivalents approximate fair value due to their high liquidity in actively quoted trading markets and their short maturities. The carrying amounts of the Company's accounts receivable, accounts payable, accrued liabilities, and short-term deferred revenue approximate fair value due to their short maturities. The carrying value of the Company's long-term debt is considered to approximate the fair value of such debt as of December 31, 2024 and 2023 based upon the interest rates that the Company believes it can currently obtain for similar debt, which is considered a Level 2 input to determine fair value.

### ***Income Taxes***

The Company was formed as limited liability company subject to Subchapter K of the Internal Revenue Code. The Company's income (distributed or undistributed) will be taxed for federal and state income tax purposes to its member. Accordingly, no provision for federal and state income tax is required. The state of California recognizes subchapter K status for companies so filed for federal purposes. Generally Accepted Accounting Principles require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance for either 2024 or 2023.

### ***Revenue Recognition***

The Company follows ASC 606, *Revenue from Contract with Customers*, for revenue recognition. The core principle of ASC 606 is built on the contract between a vendor and a customer for the provision of goods and services, and attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract,



# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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(iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. See Note 10.

### *Royalty Income*

Franchise royalties are based upon a percentage of net sales of the franchisee. The sales-based royalty fees are considered variable consideration and are recognized as revenue as such sales are earned by the franchisees. The sales-based royalty fee qualifies for the royalty constraint exception and does not require an estimate of future transaction price.

### *Franchise Advertising Fees*

The Company also receives advertising funds from the franchisees to provide national and regional advertisements for the benefit of the franchisees (NAF). These advances and deposits are based on a fixed amount for each franchisee and are restricted and segregated. The Company presents advertising contributions received from franchisees as franchise advertising fee revenue and records all expenses of the advertising fund within operating expenses, resulting in an increase in revenues and expenses on the statements of operations, with no change to the consolidated balance sheets unless the advertising was underspent. When underspent (collections exceed expenditures), the difference from collections received and amount owed will be accrued on the consolidated balance sheet. The Company recorded \$9,039,383 and \$8,990,294 in advertising fee revenue, and \$9,039,383 and \$8,990,294 in advertising fee expense for the years ended December 31, 2024 and 2023, respectively. The excess of funds received in 2024 over funds expensed was recorded as an increase of \$2,018 to the marketing fund obligation.

### *Other Revenue*

Other revenue consists primarily of contributions to attend the Company's annual convention. These fees are from both vendors and suppliers and are paid in advance of the annual convention. The performance obligation for the convention fees is to plan and hold the Company's annual convention. Convention fees are therefore recognized in the month the convention is held. Other revenue also includes income earned by the Company from licensing fees from vendors that arise from the sale of food and beverage products by vendors to franchisees. These licensing fees are generally covered by binding agreements, which are signed agreements between various vendors and the Company. The Company's performance obligation for vendor licensing fees is satisfied upon the sale of a vendor's product to the Company's franchisees. As such, revenue is recorded based on franchisee sales information from the vendor.

Other revenue also includes initial franchise fees. These fees consist of initial fees paid by franchisees at the start of the agreement, area development fees, and renewal fees. The fixed non-refundable fee, as determined by the signed development and/or franchise agreement, is due at the time the development agreement is entered into, and/or when the franchise agreement is signed, and does not include a finance component. Initial franchise fees are made up of performance obligations for training, access to plans, access to vendors and Company specific pricing, area exclusivity, and the right to use the Company's intellectual property over the term of the agreement. The Company has elected the practical expedient provided by ASC 952-606, *Franchisors-Revenue from Contracts with Customers*. This practical expedient allows the Company to account for its pre-opening services as distinct from the franchise license and as a single performance obligation, the satisfaction of which generally occurs upon completion of training

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

and opening of the store as this is when all material obligations have been performed and conditions have been satisfied. The Company recognized \$1,097,500 and \$801,250 of initial franchise fee income for the years ended December 31, 2024 and 2023, respectively.

### *Cost to Obtain Contracts*

The Company incurs costs that are directly attributable to obtaining a contract, for example broker fees, referral fees, and training fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in costs to obtain contracts on the accompany consolidated balance sheets. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically fifteen years. If a customer is terminated, the remaining deferred expense will be recognized to expenses. The current portion of costs to obtain contracts is included within prepaid expenses and other current assets. The non-current portion is included in costs to obtain contract, net of current on the consolidated balance sheet.

### 3. Property and Equipment, Net

Property and equipment, net consisted of the following:

<i>December 31,</i>	<i>Life (Years)</i>	<i>2024</i>	<i>2023</i>
Furniture	5	\$ 283,591	\$ 65,803
Computer and office equipment	5	222,703	126,598
Automobiles	5	182,392	79,585
Franchise development platform	5	27,690	27,690
<b>Total property and equipment</b>		<b>716,376</b>	<b>299,676</b>
<b>Less accumulated depreciation</b>		<b>(223,222)</b>	<b>(213,805)</b>
<b>Total property and equipment, net</b>		<b>\$ 493,154</b>	<b>\$ 85,871</b>

Depreciation expense was \$62,584 and \$48,196 for the years ended December 31, 2024 and 2023, respectively. The Company had no assets under a finance lease at December 31, 2024 and 2023.

### 4. Goodwill and Intangible Assets, Net

Intangible assets are amortized on a straight-line basis, which reflects management's best estimate of the pattern of economic benefit, over the estimated useful lives as detailed below. Intangible assets, net consist of the following:

<i>December 31,</i>	<i>Life (Years)</i>	<i>2024</i>	<i>2023</i>
Franchise system	35	\$ 15,830,000	\$ 15,830,000
Tradenames and trademarks	Indefinite	3,850,000	3,850,000
Goodwill	Indefinite	20,145,000	20,145,000
<b>Total intangible assets</b>		<b>39,825,000</b>	<b>39,825,000</b>
<b>Less: accumulated amortization</b>		<b>(3,505,215)</b>	<b>(3,052,929)</b>
<b>Goodwill and intangible assets, net</b>		<b>\$ 36,319,785</b>	<b>\$ 36,772,071</b>

## Mountain Mike's Pizza, LLC

### Notes to Consolidated Financial Statements

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For the years ended December 31, 2024 and 2023, amortization expense for the franchise system was \$452,286 and \$452,286, respectively.

The estimated amortization expenses for the Company's amortizable intangible assets as of December 31, 2024, for each of the five succeeding fiscal years and thereafter, are as follows with a remaining weighted average service life of approximately 28 years:

*Fiscal year ending*

2025	\$	452,286
2026		452,286
2027		452,286
2028		452,286
2029		452,286
Thereafter		10,063,355
<b>Total</b>	<b>\$</b>	<b>12,324,785</b>

There were no changes in the carrying amount of goodwill for the period from January 1, 2023 through December 31, 2024.

#### 5. Notes Receivable

On February 1, 2019, the Company issued a \$200,000 unsecured promissory note to an existing franchisee for the acquisition and remodeling of a restaurant. The note bore an annual interest rate of 10%. At December 31, 2023, the Company determined the note was fully impaired, as the associated restaurant had closed. As part of this impairment, the Company recognized a \$200,000 impairment charge on the consolidated statement of operations for the year ended December 31, 2023.

On December 1, 2020, the Company issued a \$965,384 secured promissory note to an existing franchisee for the development of two restaurants. An additional \$219,682 was issued in 2021 and \$149,695 was issued in 2022. The note bore an annual interest rate of 8%. In December 2022, the Company foreclosed on the note and took possession of \$380,000 of collateral. In January 2023, collateral held for sale was sold, and converted into a \$380,000 secured promissory note, which is due in monthly installment through 2028. The note bears an annual interest rate of 8%.

In March 2022, the Company entered into an unsecured note receivable with an area developer for \$150,000, which was due in monthly installments through November 2026 and bore an annual interest rate of 0%. In June 2024, the Company terminated the area developer agreement, and therefore wrote off the remaining balance of \$82,500, with a corresponding write off of deferred revenue of \$82,500 for the year ended December 31, 2024.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

A summary of note receivable principal maturities follows:

*Year ending December 31,*

2025	\$	15,614
2026		16,909
2027		18,313
2028		304,041
<b>Notes receivable</b>	<b>\$</b>	<b>354,877</b>

### 6. Balance Sheet Components

The following is a summary of the components of prepaid expenses and other current assets:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Costs to obtain contracts, current	\$ 601,041	\$ 116,361
Prepaid expenses	485,768	404,431
<b>Total prepaid expenses and other current assets</b>	<b>\$ 1,086,809</b>	<b>\$ 520,792</b>

The following is a summary of the components of accrued expenses:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Accrued payroll and related costs	\$ 175,419	\$ 583,256
Accrued general and administrative expenses	69,776	37,275
Other	101,399	78,173
<b>Total accrued expenses</b>	<b>\$ 346,594</b>	<b>\$ 698,704</b>

### 7. Related Party Transactions

Under a management service agreement that was signed in 2022, the Company receives management services from MM Pizza Managers, LLC (MMPM), an affiliate of the Company. Affiliates of MMPM also constitute a majority of the Company's board of managers. Amounts due under this agreement are the greater of 5% of Company EBITDA, or \$500,000, payable monthly in arrears, subject to increase should the Company's earnings before interest, taxes, depreciation and amortization exceed certain specified levels. This agreement continues in force until such time as affiliates of MMPM no longer constitute a majority of the Company's board of managers. The Company recognized \$705,137 and \$500,000 of expense under this agreement for the years ended December 31, 2024 and 2023, respectively, which is included in selling, general, and administrative expense.

The Company subleases office space with a related party through a month-to-month arrangement. Total rent payments made for this agreement were \$32,237 and \$29,154 for the years ended December 31, 2024 and 2023, and are included in selling, general, and administrative expense.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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### 8. Commitments and Contingencies

#### *Lease Commitments*

The Company leased its headquarters under a noncancelable operating lease which expired on December 31, 2024. As described in Note 14, the Company subsequently entered into a lease agreement for a new corporate headquarters, located in Irvine, California on January 1, 2025.

The Company's rent expenses for the years ended December 31, 2024 and 2023 was \$227,459 and \$223,820, respectively, and is included in selling, general, and administrative expenses on the consolidated statements of operations.

As the Company's operating lease expired on December 31, 2024 there is no lease liability or ROU asset recorded at December 31, 2024.

#### *Employment Agreements*

On September 1, 2018, the Company entered into an employment agreement with a key officer. The agreement provides for the payment of salary as well as incentive bonuses payable upon achievement of Company performance and/or individual performance objectives. On February 10, 2022, the Company entered into an amendment to the employment agreement and related documents which extended the terms of the agreement to February 2025. On December 4, 2024, the Company entered into an amendment to the employment agreement and related documents which extended the terms of the agreement to December 2027.

#### *Legal Matters*

The Company is subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of the Company's management, the outcome of such matters will not have a material effect on the Company's consolidated financial statements.

#### *Guarantee*

The Company is a guarantor of a term loan owed by its sole member to lenders in the principal amount of \$87,307,796 and \$71,863,345 as of December 31, 2024 and 2023, respectively. The term loan requires quarterly payments, with the remaining amount due upon maturity in February 2029, and is secured by substantially all assets of the Company. In 2022, the sole member also entered into a revolving line of credit facility, of which the Company is a guarantor, with a capacity of \$5,000,000 revolving line of credit.

The sole member was in compliance with all debt covenants as of December 31, 2024.

### 9. Defined Contribution Plan

The Company sponsors a 401(k) retirement savings plan. Eligibility begins on the first day of employment. The Company provides a matching contribution of up to 4% of participating employees' eligible compensation. The Company contributed \$87,850 and \$105,037 for the years ended December 31, 2024 and 2023, respectively, which is included in selling, general and administrative expenses on the Company's consolidated statements of operations.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

### 10. Revenue from Contracts with Customers

The Company follows the accounting policy elections under ASC 606, which provides a practical expedient for revenue recognition for a franchisor that is not a public business entity. This practical expedient allows private company franchisors to account for certain pre-opening services, as defined in the ASU, as distinct from the franchise license and accounted for as a single performance obligation. The revenue from initial franchise fees would then be recognized upon the satisfaction of this single performance obligation.

#### Revenue Recognition Timing

	2024	2023
Revenue recognized over time	\$ 28,643,028	\$ 28,014,597
Revenue recognized at a point in time	1,783,437	1,522,815
<b>Total revenue</b>	<b>\$ 30,426,465</b>	<b>\$ 29,537,412</b>

Royalties, licensing fees, and franchise advertising fee are recognized over time through the duration of the month of billing and all amounts billed in the year ended December 31, 2024, have been recognized.

#### Contract Balances

Amounts recorded as contract liabilities are for initial franchise fees that have been collected, but the performance obligation has not been satisfied. When the performance obligation is satisfied, typically at the conclusion of training, the amount will be recognized point in time as revenue. Franchise contract liability is classified as deferred revenue on the consolidated balance sheets.

The following tables provide information about the change in the franchise contract liability balances.

December 31,	2024	2023
Balance, beginning of the period	\$ 1,544,167	\$ 1,114,584
Unearned revenue from cash received during the period	912,500	1,130,833
Revenue recognized	(887,500)	(701,250)
Write-off of deferred revenue related to termination of area developer agreement, see Note 5	(82,500)	-
<b>Balance, end of the period</b>	<b>1,486,667</b>	<b>1,544,167</b>
Deferred revenue, current portion	1,486,667	1,482,500
Deferred revenue, net of current portion	-	61,667
<b>Total deferred revenue</b>	<b>\$ 1,486,667</b>	<b>\$ 1,544,167</b>

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

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The following tables provide information about the change in the franchise contract asset balances.

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Balance, beginning of the period</b>	<b>\$ 1,374,211</b>	<b>\$ 1,184,692</b>
Additions	<b>5,541,592</b>	<b>297,813</b>
Amortization	<b>(535,406)</b>	<b>(108,294)</b>
<b>Balance, end of the period</b>	<b>6,380,397</b>	<b>1,374,211</b>
Costs to obtain contracts, current	<b>601,041</b>	<b>116,361</b>
Costs to obtain contracts, net of current	<b>5,779,356</b>	<b>1,257,850</b>
<b>Total costs to obtain contracts</b>	<b>\$ 6,380,397</b>	<b>\$ 1,374,211</b>

There was no impairment of costs capitalized to obtain revenue contracts during the years ended December 31, 2024 and 2023.

### 11. February 2024 Restaurant Development Right Purchase

In February 2024, the Company purchased the development right to 74 restaurants for the purchase price of \$12,250,000, which was funded through the 2024 Sellers Note and existing cash. Additionally, the Company's sole member amended their term loan, of which the Company is guarantor, to fund this transaction. Of the \$12,250,000 purchase price, \$6,924,701 was determined to be related to restaurants developed prior to the April 4, 2017 acquisition of the Mountain Mike's Pizza brand, and expensed as area developer rights buyout on the consolidated statement of operations for the year ended December 31, 2024. The remaining \$5,325,299 related to stores developed subsequent to April 4, 2017 were determined to be a cost to obtain a contract and capitalized as costs to obtain contracts on the consolidated balance sheet. The capitalized amount is being amortized over the composite estimated remaining term of the restaurant rights acquired, which was determined to be 11.3 years.

### 12. Long Term Debt

#### **2024 Sellers Note**

On February 15, 2024, the Company entered into an unsecured seller note (the 2024 Sellers Note), which provides for a payment in an aggregate principal amount of \$2,000,000, as part of the February 2024 restaurant development right purchase. The 2024 Sellers Note matures on February 15, 2027. The interest rate for the 2024 Sellers Note is 5% annually and was 5% at December 31, 2024, and is due monthly. The Company incurred \$39,999 of costs related to the 2024 Sellers Note, which were capitalized as a debt issuance cost.

#### **2022 Sellers Note**

On February 15, 2022, the Company entered into an unsecured seller note (the 2022 Sellers Note), which provided for a payment in kind facility in an aggregate principal amount of \$8,000,000. The Company used the proceeds from the 2022 Sellers Note to fund Member Distributions. The 2022 Sellers Note was scheduled to mature on February 15, 2025. The interest rate for the 2022 Sellers Note was scheduled to increase annually in the first three years on the anniversary date of the agreement from 8.0%, 11.0%, and 14.0%.

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

Under the terms of the 2022 Sellers Note, monthly interest was capitalized to the principal amount of the note, and was due in full on the maturity date. The Company recorded \$82,848 and \$711,281 of interest expense for the years ended December 31, 2024 and 2023, respectively, related to this note.

In 2023, the Company made voluntary prepayments of \$3,400,000 on the 2022 Sellers Note, of which \$2,387,468 was applied against the original principal, and the \$1,012,532 against capitalized interest.

In February 2024, the Company voluntarily made a full repayment of \$5,961,241 on the 2022 Sellers Note, of which \$5,612,532 was applied against the original principal and \$348,709 of capitalized interest. All debt issuance costs associated with the 2022 Sellers Note were fully expensed, resulting in a loss of debt extinguishment of \$101,622, for the year ended December 31, 2024. The Company's sole member amended their term loan, of which the Company is guarantor, to fund this transaction.

Long-term debt is shown net of debt issuance costs which are amortized over the term of the debt using the effective interest rate method. At December 31, 2024 and 2023, unamortized fees were \$26,602 and \$109,290, respectively. Amortization of deferred financing costs was \$21,065 and \$58,231 for the years ended December 31, 2024 and 2023, respectively, and is included in interest expense, net on the consolidated statements of operations.

A summary of long-term debt are as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
2024 Sellers note	\$ 2,000,000	\$ -
2022 Sellers note	-	5,612,532
2022 Sellers note capitalized interest	-	265,861
Less: debt issuance costs	(26,602)	(109,290)
<b>Total notes payable, net</b>	<b>1,973,398</b>	<b>5,769,103</b>
Less: current portion of long-term debt	-	-
<b>Total non-current portion of long-term debt</b>	<b>\$ 1,973,398</b>	<b>\$ 5,769,103</b>

### *Future Principal Payments*

Future principal payment of notes payable as of December 31, 2024 were as follows:

<i>Year ending December 31,</i>	
2025	\$ -
2026	800,000
2027	1,200,000
<b>Total</b>	<b>\$ 2,000,000</b>



# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

### 13. Revision of Previously Issued Financial Statements for Correction of Immaterial Misstatements

Subsequent to the original issuance of the consolidated financial statements as of and for the years ended December 31, 2023, the Company identified immaterial misstatements related to the accounting for incremental costs to obtain a contract. An increase to capitalized contract costs, increase in members' equity, decrease in selling, general and administrative expense and increase in operating and net income were made to correct these errors.

The Company assessed the impact of the misstatements on its consolidated financial statements as of and for the year ended December 31, 2023 based on quantitative and qualitative factors. Based on this analysis the Company concluded that the misstatements are not material to the consolidated financial statements as of and for the year ended December 31, 2023. However, to correctly present the consolidated financial statements, the Company revised its previously issued consolidated financial statements as of and for the year ended December 31, 2023.

The effects of the misstatements on the Company's consolidated balance sheet as of December 31, 2023 are as follows:

#### *December 31, 2023*

	As Reported	Adjustment	As Revised
Prepaid expenses and other current assets	\$ 404,431	\$ 116,361	\$ 520,792
<b>Total Current Assets</b>	<b>5,895,779</b>	<b>116,361</b>	<b>6,012,140</b>
<b>Costs to Obtain Contracts, net of current</b>	<b>-</b>	<b>1,257,850</b>	<b>1,257,850</b>
<b>Total Assets</b>	<b>43,566,515</b>	<b>1,374,211</b>	<b>44,940,726</b>
<b>Total Members' Equity</b>	<b>32,649,605</b>	<b>1,374,211</b>	<b>34,023,816</b>
<b>Total Liabilities and Members' Equity</b>	<b>43,566,515</b>	<b>1,374,211</b>	<b>44,940,726</b>

The effects of the misstatements on the Company's consolidated statement of operations, equity, and cash flows for the year ended December 31, 2023 are as follows:

#### *Year ended December 31, 2023*

	As Previously Reported	Adjustment	As Revised
Selling, general and administrative	\$ 9,549,613	\$ (189,519)	\$ 9,360,094
<b>Total Operating Expenses</b>	<b>19,240,389</b>	<b>(189,519)</b>	<b>19,050,870</b>
<b>Operating Income</b>	<b>10,297,023</b>	<b>189,519</b>	<b>10,486,542</b>
<b>Income Before Taxes</b>	<b>9,552,690</b>	<b>189,519</b>	<b>9,742,209</b>
<b>Net Income</b>	<b>9,534,156</b>	<b>189,519</b>	<b>9,723,675</b>

# Mountain Mike's Pizza, LLC

## Notes to Consolidated Financial Statements

*Year ended December 31, 2023*

	As Previously Reported	Adjustment	As Revised
Balance, January 1, 2023	\$ 33,695,439	\$ 1,184,692	\$ 34,880,131
Net income	9,534,156	189,519	9,723,675
Balance, December 31, 2023	32,649,605	1,374,211	34,023,816

*Year ended December 31, 2023*

	As Previously Reported	Adjustment	As Revised
Net income	\$ 9,534,156	\$ 189,519	\$ 9,723,675
Amortization of Contract Acquisition Costs	-	108,294	108,294
Prepaid Expenses and Other Assets	(165,082)	(297,813)	(462,895)
Net Cash and Restricted Cash Provided by Operating Activities	12,052,235	-	12,052,235

### 14. Subsequent Events

Management has evaluated events that have occurred through April 18, 2025, the date the consolidated financial statements were available to be issued and identified the following subsequent events.

The Company entered into a lease agreement for a new corporate headquarters, located in Irvine, California. The lease begins January 1, 2025 and has an 8 year term. Monthly payments of \$29,745 begin in year 1, increase annually by \$888 for years 2 through 5, and \$1,035 for years 6 through 8.

On April 17, 2025, the Company's sole member amended their term loan, of which the Company is a guarantor, which amended the definition of consolidated EBITDA used for financial covenants to add back the area developer right buyout expense described in Note 11.



## **Mountain Mike's Pizza, LLC and Subsidiaries**

### **Consolidated Financial Statements**

As of and for the Years Ended  
December 31, 2023 and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

**BDO**

# **Mountain Mike's Pizza, LLC and Subsidiaries**

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## **Consolidated Financial Statements**

As of and for the Years Ended December 31, 2023 and 2022

# Mountain Mike's Pizza, LLC and Subsidiaries

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## Independent Auditor's Report

Board of Managers  
Mountain Mike's Pizza, LLC and Subsidiaries  
Newport Beach, California

### *Opinion*

We have audited the consolidated financial statements of Mountain Mike's Pizza, LLC and Subsidiaries, (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of income, member's equity, and cash flows for the years 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 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

In preparing the 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 within one year after the date that the consolidated financial statements are issued or available to be issued.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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### ***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.

BDO USA, P.C.

March 28, 2024

## **Consolidated Financial Statements**

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# Mountain Mike's Pizza, LLC and Subsidiaries

## Consolidated Balance Sheets

December 31,	2023	2022
<b>Assets</b>		
Current assets		
Cash	\$ 1,539,170	\$ 3,787,918
Restricted cash	1,459,684	1,160,276
Accounts receivable, net of allowance for credit losses of \$12,253 and \$6,253, respectively	2,447,864	2,479,773
Note receivable, current portion	44,630	230,000
Prepaid expenses	404,431	268,360
Collateral held for sale	-	380,000
<b>Total current assets</b>	<b>5,895,779</b>	<b>8,306,327</b>
Property and equipment, net	85,871	112,482
Intangible assets, net	16,627,071	17,079,357
Goodwill	20,145,000	20,145,000
Notes receivable, net of current portion	408,103	87,500
ROU asset	287,288	571,558
Other assets	117,403	88,392
<b>Total assets</b>	<b>\$ 43,566,515</b>	<b>\$ 46,390,616</b>
<b>Liabilities and Member's Equity</b>		
Current liabilities		
Accounts payable	\$ 1,149,260	\$ 1,136,151
Accrued expenses	698,704	304,529
Marketing fund obligations	1,459,684	1,160,276
Deferred revenue, current portion	1,482,500	1,027,084
Lease liability, current portion	295,992	308,606
<b>Total current liabilities</b>	<b>5,086,140</b>	<b>3,936,646</b>
Deferred revenue, net of current portion	61,667	87,500
Sellers note, net	5,769,103	8,399,588
Lease liability, net of current portion	-	271,443
<b>Total liabilities</b>	<b>10,916,910</b>	<b>12,695,177</b>
<b>Commitments and contingencies</b>		
<b>Member's Equity</b>		
<b>Total member's equity</b>	<b>32,649,605</b>	<b>33,695,439</b>
<b>Total liabilities and member's equity</b>	<b>\$ 43,566,515</b>	<b>\$ 46,390,616</b>

See accompanying notes to the consolidated financial statements.

# Mountain Mike's Pizza, LLC and Subsidiaries

## Consolidated Statements of Operations

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
Royalties	\$ 14,914,132	\$ 13,937,073
Franchise advertising fees	8,990,294	8,327,051
Other revenue	5,632,986	5,563,443
<b>Total revenues</b>	<b>29,537,412</b>	<b>27,827,567</b>
<b>Operating expenses:</b>		
Selling, general and administrative	9,549,613	9,106,645
Franchise advertising fee	8,990,294	8,327,051
Depreciation and amortization	500,482	498,016
Impairment on note receivable	200,000	1,164,230
Non-recurring transaction bonus - management	-	1,385,837
<b>Total operating expenses</b>	<b>19,240,389</b>	<b>20,481,779</b>
<b>Operating income</b>	<b>10,297,023</b>	<b>7,345,788</b>
<b>Other expense:</b>		
Interest expense, net	(744,333)	(516,142)
<b>Total other expense</b>	<b>(744,333)</b>	<b>(516,142)</b>
<b>Income before taxes</b>	<b>9,552,690</b>	<b>6,829,646</b>
<b>State franchise tax expense (benefit)</b>	<b>18,534</b>	<b>(11,663)</b>
<b>Net income</b>	<b>\$ 9,534,156</b>	<b>\$ 6,841,309</b>

*See accompanying notes to the consolidated financial statements.*

## Mountain Mike's Pizza, LLC and Subsidiaries

### Consolidated Statements of Member's Equity

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	Amount
Balance at December 31, 2021	\$ 43,223,429
Net income	6,841,309
Contributions from member	94,719,900
Distributions to member	(111,089,199)
Balance at December 31, 2022	33,695,439
Net income	9,534,156
Distributions to member	(10,579,990)
Balance at December 31, 2023	\$ 32,649,605

*See accompanying notes to the consolidated financial statements.*

# Mountain Mike's Pizza, LLC and Subsidiaries

## Consolidated Statements of Cash Flows

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net income	\$ 9,534,156	\$ 6,841,309
Adjustments to reconcile net income to net cash and restricted cash provided by operating activities:		
Depreciation and amortization	500,482	498,016
Provision for credit losses	6,000	6,555
Paid in kind interest expense	711,284	567,109
Amortization of debt issuance costs	58,231	37,479
Impairment of note receivable, including interest receivable	200,000	1,164,230
Changes in operating assets and liabilities:		
Accounts receivable	25,909	(356,747)
Prepaid expenses and other assets	(165,082)	4,649
Accounts payable	13,109	85,722
Marketing fund obligations	299,408	(1,018,183)
Deferred revenue	429,583	88,750
Accrued expenses and short-term area developer payable	394,175	(283,175)
Notes receivable	44,767	(207,195)
Lease liability	213	8,491
<b>Net cash and restricted cash provided by operating activities</b>	<b>12,052,235</b>	<b>7,437,010</b>
<b>Investing activities</b>		
Purchases of property and equipment	(21,585)	(37,930)
<b>Net cash used in investing activities</b>	<b>(21,585)</b>	<b>(37,930)</b>
<b>Financing activities</b>		
Member distributions	(10,579,990)	(111,089,199)
Member contributions	-	94,719,900
Proceeds from Sellers Note	-	8,000,000
Payments towards Sellers Note	(3,400,000)	-
Payments of debt issuance costs	-	(205,000)
<b>Net cash used in financing activities</b>	<b>(13,979,990)</b>	<b>(8,574,299)</b>
<b>Net decrease in cash and restricted cash</b>	<b>(1,949,340)</b>	<b>(1,175,219)</b>
<b>Cash and restricted cash, beginning of year</b>	<b>4,948,194</b>	<b>6,123,413</b>
<b>Cash and restricted cash, end of year</b>	<b>\$ 2,998,854</b>	<b>\$ 4,948,194</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for state franchise taxes	\$ 18,534	\$ 4,400
Cash paid for interest	1,012,532	-
<b>Supplemental disclosure of non-cash activities:</b>		
ROU assets and lease liability	\$ -	\$ 852,930
Cancellation of area developer agreement and write-off of associated note receivable and deferred revenue	-	100,000
Collateral held for sale from foreclosure of note receivable	\$ -	380,000
Conversion of collateral held for sale into note receivable	\$ 380,000	-

See accompanying notes to the consolidated financial statements.

# Mountain Mike's Pizza, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### 1. Organization

Mountain Mike's Pizza, LLC ("MMP" or the "Company") is the franchisor of Mountain Mike's Pizza, a system of fast casual restaurants featuring upscale, made-to-order pizzas. As of December 31, 2023, and 2022, there were 279 and 265, respectively, Mountain Mike's Pizza restaurants, all of which are franchised. The majority of the Company's operations are located in California, with three restaurants located in Arizona, one restaurant in Idaho, two restaurants in Nevada, four in Oregon, two in Texas, and seven in Utah. The Company was organized as a limited liability company under the laws of Delaware on February 24, 2017, and has a single member. On April 4, 2017, the Company acquired substantially all of the assets of the Mountain Mike's Pizza brand from Concept Acquisitions, LLC ("COAC").

### 2. Summary of Significant Accounting Policies

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of MMP and its three wholly owned subsidiaries, OC Hospitality, LLC ("OCH"), MMP Regional Promotion Fund, Inc. ("MMPR") and MMP National Promotion Fund, Inc. ("MMPN"). MMPR and MMPN are collectively referred to as the "Marketing Funds". The Marketing Funds were formed in California on March 22, 2017, for the purpose of holding advertising and marketing funds on behalf of MMP's franchisees. These funds are deployed into advertising and marketing initiatives on both the local and regional level to drive sales growth at MMP's franchised restaurants, support communities in which MMP's restaurants are located and increase customer recognition of the Mountain Mike's Pizza brand. The Company treats the collection and disbursement of amounts within the Marketing Funds as contractual obligations, resulting in an agency relationship under which such designated funds are required to be segregated and used for the purposes specified above. Refer to franchise advertising fees in Revenue Recognition below for the description of the accounting for these transactions. OCH was formed in December 2022 to hold certain notes receivable and had no activity for the years ended December 31, 2023 and 2022. All intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financials are presented as of December 31, 2023 and 2022, and for the years then ended.

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates. Principal areas requiring the use of estimates include the allowance for credit losses, and impairment of goodwill, long lived assets and intangible assets.

#### *Cash*

The Company maintains cash balances at financial institutions, and at times, balances may exceed federally insured limits. The Company has never experienced any losses related to these balances and believes it is not exposed to any significant credit risk on such accounts.

#### *Restricted Cash*

The Marketing Funds hold cash on behalf of MMP's franchisees for advertising and marketing purposes (see "Principles of Consolidation"). The cash balances of \$1,459,684 and \$1,160,276 as of

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## Notes to Consolidated Financial Statements

December 31, 2023 and 2022, respectively, are classified as restricted cash with a corresponding marketing fund obligation liability on the accompanying consolidated balance sheets.

The following table provides a reconciliation of cash and restricted cash reported in the consolidated balance sheets to the same total reported in the consolidated statements of cash flows.

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
Cash	\$ 1,539,170	\$ 3,787,918
Restricted Cash	1,459,684	1,160,276
Cash and restricted cash, end of year on the statement of cash flow	\$ 2,998,854	\$ 4,948,194

### ***Accounts Receivable and Allowance for Credit Losses***

Effective January 1, 2023, the Company adopted the requirements of Accounting Standard Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Accounts receivable consist of royalty billings to franchisees, franchise fees, and licensing fees due from key vendors, net of an allowance for credit losses. Terms of accounts receivable generally range from 10 days to 90 days. The Company recognizes an allowance for credit losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and estimated future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Company assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in selling, general and administrative expenses on the accompanying consolidated statements of operations.

### ***Property and Equipment, net***

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. See Note 3.

Major renewals and betterments are capitalized while maintenance costs and repairs are expensed in the period incurred.

### ***Notes Receivable***

Notes receivable consist of company loans made to franchise owners and area developers for the purchase of initial or additional franchises. At the point management determines balances are uncollectible from certain franchise owners and area developers, the Company will discontinue recognition of interest income related to those notes receivable. Interest income on notes receivable is accrued as earned using the simple interest method. See Note 5.

### ***Collateral Held for Sale***

Collateral held for sale is stated at the lower of its carrying value or fair value less cost to sell. In December 2022, the Company foreclosed on a note receivable, and acquired certain equipment as

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## Notes to Consolidated Financial Statements

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collateral. In December 2022, the Company committed to a plan to sell the collateral through a public auction that occurred in January 2023. The collateral was sold for a \$380,000 note receivable in January 2023. There was no change in fair value between the dates the collateral was obtained in December, 2022 and sold in January 2023. The sales price of \$380,000 approximated the fair value of the collateral as of December 31, 2022.

### ***Goodwill***

Goodwill represents the excess of cost over fair value of net identified assets acquired in business combinations accounted for under the acquisition method.

The Company does not amortize its goodwill. The Company performs its impairment test annually at its fiscal year end, or more frequently if impairment indicators arise. Such review entails a qualitative analysis of factors included in the relevant accounting literature. No impairments were recorded as of December 31, 2023 and 2022.

### ***Long Lived and Intangible Assets***

The Company reviews long lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. There were no such events or changes in circumstances that occurred during 2023 or 2022.

Recoverability of long-lived assets is measured by comparing the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

The Company makes judgments about the recoverability of purchased intangible assets with finite lives whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of purchased intangible assets with finite lives is measured by comparing the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. No impairments were recorded as of December 31, 2023 and 2022.

### ***Debt Issuance Costs***

Fees related to the issuance or refinancing of long-term debt are capitalized and amortized over the term of the debt using the effective interest rate method and presented in the consolidated balance sheets as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. The unamortized balance of debt issuance costs was \$109,290 and \$167,521 as of December 31, 2023 and 2022, respectively.

### ***Lease commitments***

The Company follows Accounting Standards Codification ("ASC") 842, Leases ("ASC 842"), to account for its leasing arrangements. The lease accounting standard requires all leases to be reported on the balance sheet as right-of-use assets and lease obligations.

Operating lease liabilities and right-of-use ("ROU") assets are recognized at the lease commencement date or the date the leases were acquired based on the present value of the future minimum lease payments over the remaining lease term. The Company has elected the practical expedient permitted under the private company guidance allowing the use of the risk-free treasury rate at the lease commencement date for the duration of the remaining lease term, unless the rate is implicit in the

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## Notes to Consolidated Financial Statements

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contract, then the Company uses the implicit rate to discount the present value of the future minimum lease payment.

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes the lease expense for these leases on a straight-line basis over the lease term. The Company elected the short-term lease measurement exemption provided in ASC 842.

### ***Fair Value of Financial Instruments***

The Company accounts for certain of its financial assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

- Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The carrying amounts of most of the Company's financial instruments, including cash and cash equivalents approximate fair value due to their high liquidity in actively quoted trading markets and their short maturities. The carrying amounts of the Company's accounts receivable, accounts payable, accrued liabilities, and short-term deferred revenue approximate fair value due to their short maturities. The carrying value of the Company's long-term debt is considered to approximate the fair value of such debt as of December 31, 2023, and 2022 based upon the interest rates that the Company believes it can currently obtain for similar debt, which is considered a level 2 input to determine fair value.

### ***Income Taxes***

The Company was formed as limited liability company subject to Subchapter K of the Internal Revenue Code. The Company's income (distributed or undistributed) will be taxed for federal and state income tax purposes to its member. Accordingly, no provision for federal and state income tax is required. The state of California recognizes Subchapter K status for companies so filed for federal purposes. Generally Accepted Accounting Principles require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance for either 2023 or 2022.

### ***Revenue Recognition***

The Company follows ASC 606, *Revenue from Contract with Customers*, ("ASC 606") for revenue recognition. The core principle of ASC 606 is built on the contract between a vendor and a customer for the provision of goods and services, and attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the



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## Notes to Consolidated Financial Statements

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vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. (See Note 10)

### Royalty Income

Franchise royalties are based upon a percentage of net sales of the franchisee. The sales-based royalty fees and sales-based marketing fees are considered variable consideration and are recognized as revenue as such sales are earned by the franchisees. The sales-based royalty fee qualifies for the royalty constraint exception and does not require an estimate of future transaction price.

### Franchise Advertising Fees

The Company also receives advertising funds from the franchisees to provide national and regional advertisements for the benefit of the franchisees (NAF). These advances and deposits are based on a fixed amount for each franchisee and are restricted and segregated. The Company presents advertising contributions received from franchisees as franchise advertising fee revenue and records all expenses of the advertising fund within operating expenses, resulting in an increase in revenues and expenses on the statements of income, with no change to the balance sheets unless the advertising was underspent. When underspent (collections exceed expenditures), the advertising fund will accrue the difference from collections received and amount owed. The Company recorded \$8,990,294 and \$8,327,051 in advertising fee revenue, and \$8,990,294 and \$8,327,051 in advertising fee expense for the years ended December 31, 2023 and 2022, respectively. The excess of funds received in 2023 over funds expensed in 2023 was recorded as an increase of \$299,408 to the marketing fund obligation.

### Other Revenue

Other revenue consists primarily of contributions to attend the Company's annual convention. These fees are from both vendors and suppliers and are paid in advance of the annual convention. The performance obligation for the convention fees is to plan and hold the Company's annual convention. Convention fees are therefore recognized in the month the convention is held. Other revenue also includes income earned by the Company from licensing fees from vendors that arise from the sale of food and beverage products by vendors to franchisees. These licensing fees are generally covered by binding agreements, which are signed agreements between various vendors and the Company. The Company's performance obligation for vendor licensing fees is satisfied upon the sale of a vendor's product to the Company's franchisees. As such, revenue is recorded based on franchisee sales information from the vendor.

Other revenue also includes Initial franchise fees. These fees consist of initial fees paid by franchisees at the start of the agreement, area development fees, and renewal fees. The fixed non-refundable fee, as determined by the signed development and/or franchise agreement, is due at the time the development agreement is entered into, and/or when the franchise agreement is signed, and does not include a finance component. Initial franchise fees are made up of performance obligations for training, access to plans, access to vendors and Company specific pricing, area exclusivity, and the right to use the Company's intellectual property over the term of the agreement. The Company has elected the practical expedient provided by ASC 952-606, *Franchisors-Revenue from Contracts with Customers*, ("ASC 952-606"). This practical expedient allows the Company to account for its pre-opening services as distinct from the franchise license and as a single performance obligation, the satisfaction of which generally occurs upon completion of training as this is when all material

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## Notes to Consolidated Financial Statements

obligations have been performed and conditions have been satisfied. The Company recognized \$801,250 and \$978,750 of initial franchise fee income for the years ended December 31, 2023 and 2022, respectively.

### Cost to Obtain Contracts

The Company incurs costs that are directly attributable to obtaining a contract, for example broker fees, referral fees, and training fees. The Company has elected the practical expedient provided by ASC 606, which allows the Company to account for its pre-opening services as distinct from the franchise license and as a single performance obligation, which generally occurs upon completion of training as this is when all material obligations have been performed and conditions have been satisfied. As such, costs to obtain contracts are not required to be deferred.

### **Accounting Pronouncements Recently Adopted**

#### **ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13")**

Rather than generally recognizing credit losses when it is probable that the loss has been incurred, the revised guidance requires companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that the company expects to collect over the instrument's contractual life. ASU 2016-13 requires use of a forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. Adoption of the standard requires using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align existing credit loss methodology with the new standard. The Company adopted this guidance effective January 1, 2023, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements and disclosures.

### **3. Property and Equipment, net**

Property and equipment, net consisted of the following:

<i>December 31,</i>	<i>Life (Years)</i>	<i>2023</i>	<i>2022</i>
Furniture	5	\$ 65,803	\$ 64,537
Computer and office equipment	5	126,598	106,279
Automobiles	5	79,585	79,585
Franchise development platform	5	27,690	27,690
Total property and equipment		299,676	278,091
Less accumulated depreciation		(213,805)	(165,609)
Total property and equipment, net		\$ 85,871	\$ 112,482

Depreciation expense was \$48,196 and \$45,731 for the years ended December 31, 2023 and 2022, respectively. The Company had no assets under a finance lease at December 31, 2023 and 2022.

# Mountain Mike's Pizza, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### 4. Goodwill and Intangible Assets, net

Intangible assets are amortized on a straight-line basis, which reflects management's best estimate of the pattern of economic benefit, over the estimated useful lives as detailed below. Intangible assets, net consist of the following:

<i>December 31,</i>	<i>Life (Years)</i>	<i>2023</i>	<i>2022</i>
Non-compete agreement	2	\$ 125,000	\$ 125,000
Franchise system	35	15,830,000	15,830,000
Tradenames and trademarks	Indefinite	3,850,000	3,850,000
Goodwill	Indefinite	20,145,000	20,145,000
Total intangible assets		39,950,000	39,950,000
Less accumulated amortization		(3,177,929)	(2,725,643)
Goodwill and Intangible assets, net		\$ 36,772,071	\$ 37,224,357

For the years ended December 31, 2023 and 2022, amortization expense for the franchise system was \$452,286 and \$452,285, respectively.

The estimated amortization expenses for the Company's amortizable intangible assets as of December 31, 2023, for each of the five succeeding fiscal years and thereafter, are as follows with a remaining weighted average service life of approximately 29 years:

<i>Fiscal Years Ending</i>	
2024	\$ 452,286
2025	452,286
2026	452,286
2027	452,286
2028	452,286
Thereafter	10,515,641
Total	\$ 12,777,071

There were no changes in the carrying amount of goodwill for the period from January 1, 2023 through December 31, 2023.

### 5. Notes Receivable

In 2017, the Company signed an unsecured note receivable with an area developer (the "Area Developer Agreement"), which is due in equal monthly installments through August 2024 and bears an annual interest rate of 0%. The note is collateralized by a guarantee from the key principal of the area development entity. Effective January 1, 2023, the Company terminated the Area Developer Agreement, and therefore wrote off the remaining balance of \$100,000, with a corresponding write off of deferred revenue of \$100,000 as of December 31, 2022.

## Mountain Mike's Pizza, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

On February 1, 2019, the Company issued a \$200,000 unsecured promissory note to an existing franchisee for the acquisition and remodeling of an underperforming but high-volume potential restaurant. The note bore an annual interest rate of 10%. As of December 31, 2023 the Company determined the note was fully impaired, as the associated restaurant had closed. As part of this impairment, the Company recognized a \$200,000 impairment charge on the consolidated statement of operations for the year ended December 31, 2023.

On December 1, 2020, the Company issued a \$965,384 secured promissory note to an existing franchisee for the development of two restaurants near the Company's national franchise support center evidencing the brand's new store design. An additional \$219,682 was issued in 2021 and \$149,695 was issued in 2022. The note bore an annual interest rate of 8%. In December 2022, the Company foreclosed on the note and took possession of \$380,000 of collateral. This collateral is included as collateral held for sale on the consolidated balance sheet as of December 31, 2022. As part of this foreclosure, the Company recognized a \$1,164,230 impairment charge on the consolidated statement of operations for the year ended December 31, 2022. This amount includes \$954,761 of the amount not recovered from the collateral collected, and \$209,469 of accrued interest.

In January 2023, the collateral held for sale was sold, and converted into a \$380,000 secured promissory note, which is due in monthly installment through 2028. The note bears an annual interest rate of 8%.

In March 2022, the Company entered into an unsecured note receivable with an area developer for \$150,000, which is due in monthly installments through November 2026 and bears an annual interest rate of 0%.

A summary of note receivable principal maturities follows:

<i>Years ending December 31,</i>	
2024	\$ 44,630
2025	45,930
2026	44,752
2027	18,684
2028	298,737
Notes receivable	\$ 452,733

#### 6. Accrued Expenses

The following is a summary of the components of accrued expenses:

<i>December 31,</i>	2023	2022
Accrued payroll and related costs	\$ 583,256	\$ 211,473
Accrued general and administrative expenses	37,275	22,248
Other	78,173	70,808
Total accrued expenses	\$ 698,704	\$ 304,529

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## Notes to Consolidated Financial Statements

### 7. Related Party Transactions

Under a management service agreement that was signed in 2022, the Company receives management services from MM Pizza Managers, LLC ("MMPM"), an affiliate of the Company. Affiliates of MMPM also constitute a majority of the Company's board of managers. Amounts due under this agreement are \$500,000 per annum, payable monthly in arrears, subject to increase should the Company's earnings before interest, taxes, depreciation and amortization exceed certain specified levels. This agreement continues in force until such time as affiliates of MMPM no longer constitute a majority of the Company's board of managers. The Company recognized \$500,000 and \$487,202 of expense under this agreement for the periods ending December 31, 2023 and 2022, respectively, which is included in selling, general and administrative expense.

The Company subleases office space with a related party through a month-to-month arrangement. Total rent payments made for this agreement were \$29,154 for 2023, and \$31,219 for the periods ending December 31, 2023 and 2022, and are included in selling, general and administrative expense.

### 8. Commitments and Contingencies

#### *Lease Commitments*

The Company leases its headquarters under a noncancelable operating lease expiring in December 2024.

The Company's rent expenses for the years ended December 31, 2023 and 2022 was \$223,820 and \$237,724, respectively, and is included in selling, general and administrative expenses on the consolidated statements of income.

The Company has a lease liability for the next year under such leases as follows:

#### *Years Ending December 31,*

2024	\$	295,992
Lease Liability	\$	295,992

The following table provides additional information related to operating lease agreement for which the Company is the lessee:

<i>As of December 31,</i>		2023
ROU Assets	\$	287,288
Weighted Average Remaining Lease Term (years)		1
Weighted Average discount rate		1.04%

#### *Employment Agreements*

On September 1, 2018, the Company entered into an employment agreement with a key officer. The agreement provides for the payment of salary as well as incentive bonuses payable upon achievement of Company performance and/or individual performance objectives. On February 10, 2022, the

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## Notes to Consolidated Financial Statements

Company entered into an amendment to the employment agreement and related documents which extended the terms of the agreement to February 2025.

### **Legal Matters**

The Company is subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of the Company's management, the outcome of such matters will not have a material effect on the Company's consolidated financial statements.

### **Guarantee**

The Company is a guarantor of a term loan owed by its sole member to lenders in the principal amount of \$71,863,345 as of December 31, 2023. The term loan requires quarterly payments, with the remaining amount due upon maturity in February 2027, and was secured by substantially all assets of the Company. In 2022, the sole member also entered into a revolving line of credit facility, of which the Company is a guarantor, with a capacity of \$5,000,000 revolving line of credit. \$500,000 of the revolving line of credit was drawn immediately, and was repaid in full in March 2022.

The sole member was in compliance with all debt covenants as of December 31, 2023.

Subsequent to December 31, 2023, the sole member amended terms of the term loan, and borrowed an additional \$16,300,000 in February 2024. This additional amount was used to fund the February 2024 transaction described in Note 12.

## **9. Defined Contribution Plan**

The Company sponsors a 401(k) retirement savings plan. Eligibility begins on the first day of employment. The Company provides a matching contribution of up to 4% of participating employees' eligible compensation. The Company contributed approximately \$105,037 and \$52,823 for the years ended December 31, 2023 and 2022, respectively, which is included in selling, general and administrative expenses on the Company's consolidated statements of income.

## **10. Revenue from Contracts with Customers**

The Company follows the accounting policy elections under ASC 606, which provides a practical expedient for revenue recognition for a franchisor that is not a public business entity.

This practical expedient allows private company franchisors to account for certain pre-opening services, as defined in the ASU, as distinct from the franchise license and accounted for as a single performance obligation. The revenue from initial franchise fees would then be recognized upon the satisfaction of this single performance obligation.

### **Revenue Recognition Timing**

	2023	2022
Revenue recognized over time	\$ 28,014,597	\$ 26,319,468
Revenue recognized at a point in time	1,522,815	1,508,099
Total revenue	\$ 29,537,412	\$ 27,827,567

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## Notes to Consolidated Financial Statements

Royalties, licensing fees, and franchise advertising fee are recognized over time through the duration of the month of billing and all amounts billed in the year ended December 31, 2023, have been recognized.

### **Contract Balances**

Amounts recorded as contract liabilities are for initial franchise fees that have been collected, but the performance obligation has not been satisfied. When the performance obligation is satisfied, typically at the conclusion of training, the amount will be recognized point in time as revenue. Franchise contract liability is included in deferred revenue on the consolidated balance sheets.

The following table provides information about the change in the franchise contract liability balances during the year ended December 31, 2023.

	2023
January 1, 2023 - deferred revenue	\$ 1,114,584
Revenue recognized - beginning balance	(337,500)
Additional deferred revenue	1,130,833
Revenue recognized - additional deferred revenue	(363,750)
Deferred revenue	1,544,167
Less: current maturities	1,482,500
Deferred revenue, net of current maturities	\$ 61,667

The following table provides information about the change in the franchise contract liability balances during the year ended December 31, 2022.

	2022
January 1, 2022 - deferred revenue	\$ 1,125,834
Revenue recognized - beginning balance	(572,500)
Additional deferred revenue	1,085,000
Revenue recognized - additional deferred revenue	(423,750)
Write off of deferred revenue related to cancellation of ADA, see Note 5.	(100,000)
Deferred revenue	1,114,584
Less: current maturities	(1,027,084)
Deferred revenue, net of current maturities	\$ 87,500

## **11. Long Term Debt**

### **2022 Sellers Note**

On February 15, 2022, the Company entered into an unsecured seller note (the "2022 Sellers Note"), which provides for a payment in kind facility in an aggregate principal amount of \$8,000,000. The Company used the proceeds from the 2022 Sellers Note to fund member distributions. The 2022 Sellers Note matures on February 15, 2025. The interest rate for the 2022 Sellers Note increases annually in

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## Notes to Consolidated Financial Statements

the first three years on the anniversary date of the agreement from 8.0%, 11.0%, and 14.0% and was 11.00% at December 31, 2023.

Under the terms of the 2022 Sellers Note, monthly interest is capitalized to the principal amount of the note, and is due in full on the maturity date. The Company recorded \$711,281 and \$567,109 of interest expense for the years ended December 31, 2023 and 2022, respectively, related to this note. Long-term debt is shown net of debt issuance costs which are amortized over the term of the debt using the effective interest rate method. At December 31, 2023 and 2022, unamortized fees were \$109,290 and \$167,521, respectively. Amortization of deferred financing costs was \$58,231 and \$37,479 for the years ended December 31, 2023 and 2022, respectively, and is included in interest expense, net on the consolidated statements of operations.

In 2023, the Company made voluntary prepayments of \$3,400,000 on the 2022 Sellers Note, of which \$2,387,468 was applied against the original principal, and the \$1,012,532 against capitalized interest.

A summary of long-term debt at December 31, 2023 and 2022 are as follows:

	2023	2022
2022 Sellers Note principal	\$ 5,612,532	\$ 8,000,000
2022 Sellers Note capitalized interest	265,861	567,109
Less: Debt issuance costs	(109,290)	(167,521)
Total notes payable, net	5,769,103	8,399,588
Less: Current portion of long-term debt	-	-
Total non-current portion of long-term debt	\$ 5,769,103	\$ 8,399,588

### Future Principal Payments

Future principal payment and accrued interest of notes payable as of December 31, 2023 were as follows:

*Fiscal years ending,*

2024	\$ -
2025	5,878,393
Total	\$ 5,878,393

## 12. Subsequent Events

Management has evaluated events that have occurred through March 28, 2024, the date the consolidated financial statements were available to be issued and identified the following subsequent events.

In February 2024, the Company purchased the development right to 74 restaurants. As a part of this transaction, the Company paid all amounts outstanding under the 2022 Sellers Note, which included \$5,612,532 of principal and \$348,709 of capitalized interest. Remaining unamortized issuance costs of \$101,622 were expensed. As a part of this transaction, the Company entered into a new sellers note, unrelated to the 2022 Sellers Note, for a total of \$2,000,000. Additionally, the Company's sole member amended their term loan, of which the Company is guarantor, to fund this transaction.



**EXHIBIT B**  
**FRANCHISE AGREEMENT**

**MOUNTAIN MIKE'S PIZZA, LLC**  
**FRANCHISE AGREEMENT**

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FRANCHISEE

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DATE OF AGREEMENT

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ADDRESS OF RESTAURANT

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## **EXHIBITS**

EXHIBIT A - LISTING OF OWNERSHIP INTERESTS  
EXHIBIT B - PREMISES AND EXCLUSIVE AREA  
GUARANTY AND ASSUMPTION OF OBLIGATIONS

**MOUNTAIN MIKE'S PIZZA, LLC**  
**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the "Agreement") is made and entered into by and between **MOUNTAIN MIKE'S PIZZA, LLC**, a Delaware limited liability company, with its principal business address currently at 110 Theory, Suite 150, Irvine, CA 92617 ("we," "us" or "our"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("you" or "your"), as of the date we sign it as the franchisor, which is set forth next to our signature on this Agreement (the "Effective Date").

1. **PREAMBLES, ACKNOWLEDGMENTS AND GRANT OF FRANCHISE**

A. **PREAMBLES.**

(1) We and our predecessors have, since 1978, expended considerable time and effort in developing and operating a pizza restaurant concept offering pizza, sandwiches, salads and other food products and services. These restaurants operate under the "Mountain Mike's Pizza®" name ("Mountain Mike's Pizza® Restaurants") and have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which have been, or may be, improved, further developed or otherwise modified from time to time.

(2) We use, promote and license certain trademarks, service marks and other commercial symbols in operating Mountain Mike's Pizza Restaurants, including the trade and service mark "Mountain Mike's Pizza®," which have gained and continue to gain public acceptance and goodwill, and may continue to create, use and license additional trademarks, service marks and commercial symbols in operating Mountain Mike's Pizza Restaurants (collectively, the "Marks").

(3) We have chosen franchising as our business strategy for creating and keeping customers for Mountain Mike's Pizza. We grant to persons who meet our qualifications and are willing to undertake the investment and effort a franchise to own and operate a Mountain Mike's Pizza Restaurant offering the products and services we authorize and approve while utilizing our business formats, methods, procedures, signs, designs, layouts, equipment, standards, specifications and Marks (the "System").

(4) As a franchisee of a Mountain Mike's Pizza Restaurant, you will work with us to create and keep customers for Mountain Mike's Pizza Restaurants.

(5) You have applied for a franchise to own and operate a Mountain Mike's Pizza Restaurant.

**B. ACKNOWLEDGMENTS.**

You acknowledge that:

(1) You have conducted an independent investigation of the Mountain Mike's Pizza Restaurant franchise opportunity and recognize that, like any other business, the nature of the business conducted by a Mountain Mike's Pizza Restaurant may, and probably will, evolve and change over time.

(2) An investment in a Mountain Mike's Pizza Restaurant involves business risks.

(3) Your business abilities and efforts are vital to the success of your Mountain Mike's Pizza Restaurant.

(4) You have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Mountain Mike's Pizza Restaurant, that any information you have acquired from other Mountain Mike's Pizza Restaurant franchisees relating to their sales, profits or cash flows is not information obtained from us, and that we make no representation as to the accuracy of any such information.

(5) In all of their dealings with you, our officers, directors, employees and agents have acted only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are solely between you and us.

(6) You have represented to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in purchasing the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(7) You have read this Agreement and our Franchise Disclosure Document and understand and accept that the terms, conditions and covenants which are contained in this Agreement are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Mountain Mike's Pizza Restaurant, and consequently protect and preserve the goodwill of the Marks.

**C. CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company or partnership, you agree and represent that:

(1) You will have the authority to execute, deliver and perform your obligations under this Agreement, having obtained all required board of directors or other consents, and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement or partnership agreement will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

(3) Exhibit A to this Agreement will completely and accurately describe all of your owners and their interests in you;

(4) Each of your owners at any time during the term of this Agreement, including after an approved transfer under Section 12, will execute an agreement in the form that we prescribe undertaking personally to be bound jointly and severally by all provisions of this Agreement and any ancillary agreements between you and us that bind you. You and your owners agree to execute and deliver to us such revised Exhibits A as may be necessary to reflect any changes in the information it contains and to furnish such other information about your organization or formation as we may request; and

(5) The RESTAURANT (as defined in Paragraph D below), and other Mountain Mike's Pizza Restaurants, will be the only businesses you operate (but your owners may have other, non-competitive businesses operated through separate entities).

**D. GRANT OF FRANCHISE.**

You have applied for a franchise to own and operate a Mountain Mike's Pizza Restaurant at a location we approve, which will be identified on **Exhibit B** (the "Premises"). Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise (the "Franchise") to operate a Mountain Mike's Pizza Restaurant (the "RESTAURANT") at the Premises, and to use the System in its operation, for a term commencing on the effective date of this Agreement and expiring fifteen (15) years from that date, unless sooner terminated in accordance with Section 14 hereof. You agree to operate the RESTAURANT in compliance with this Agreement for the entire Agreement term unless this Agreement is properly terminated under Section 14. During this Agreement's term, we (and our affiliates) will not establish, or grant to a franchisee the right to establish, another Mountain Mike's Pizza Restaurant that has its physical location within the geographical area set forth in Exhibit B attached hereto (the "Exclusive Area"). You may advertise the sale of the RESTAURANT's products without restriction inside and outside the Exclusive Area. However, you agree to submit to us for processing all product orders that are to be shipped or mailed to customers and that are not to be personally delivered by the RESTAURANT's employees. We will fill all of these orders at our expense and receive payment from customers for them. We may retain all revenue derived from these orders. You may not fill any orders to be shipped or mailed to customers. In addition, you may not engage in any promotional activities, or sell any food related products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media").



You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder, continuously exert your best efforts to promote and enhance the RESTAURANT and not engage in any other business or activity that conflicts with your obligations to operate the RESTAURANT in compliance with this Agreement. You may not operate the RESTAURANT from any site other than the Premises without our prior written consent. You may use the Premises during this Agreement's term only for the RESTAURANT and branded Mountain Mike's operations. You may not, without our prior written consent (which we may grant or withhold as we deem best), sell any products or services, or engage in any business activities, at or from any part of the Premises other than the products, services, and business activities that we expressly authorize for Mountain Mike's Pizza Restaurants.

E. **RIGHTS WE RESERVE.**

We (and our affiliates) retain the right:

(1) to establish, and allow other franchisees to establish, Mountain Mike's Pizza Restaurants at any location outside the Exclusive Area (including at the boundary of the Exclusive Area) and on any terms and conditions as we deem appropriate;

(2) to sell and deliver, and allow other franchisees to sell and deliver, products and services identified by the Marks to customers located within the Exclusive Area from Mountain Mike's Pizza Restaurants physically located outside the Exclusive Area;

(3) to sell products identified by the Marks, or other trademarks or service marks, within and outside the Exclusive Area through any distribution channels we think best, wherever located or operating (including, but not limited to, the Internet, mail order, convenience and grocery stores, hospitals, and schools), except not through Mountain Mike's Pizza Restaurants that have their physical locations within the Exclusive Area; and

(4) to engage in any other business activities not expressly prohibited by this Agreement, both within and outside the Exclusive Area.

2. **SITE SELECTION, LEASE OF PREMISES  
AND DEVELOPMENT AND OPENING OF RESTAURANT.**

A. **SITE SELECTION.**

You are responsible for selecting the site for the RESTAURANT. You agree to obtain our written approval of the RESTAURANT's proposed site before signing any lease, sublease, or other document for the site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. We will not unreasonably withhold our approval of a site that meets our criteria for demographic characteristics; traffic patterns; parking; access; co-tenancy; character of neighborhood; competition from, proximity to, and nature of other

businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics.

You agree to send us a description of the proposed site, including a summary of the items listed above, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site within one hundred twenty (120) days of the Effective Date. We will use reasonable efforts to approve or disapprove the proposed site within thirty (30) days after receiving your written proposal. Upon our approval of a site, and after you secure the site, we will insert its address into **Exhibit B**, and it will be the Premises. At that time, we will also insert the geographic area that will be the Exclusive Area into Exhibit B. You may operate the RESTAURANT only at the Premises.

You acknowledge and agree that our recommendation or acceptance of the Premises, and any information regarding the Premises communicated to you, do not constitute a representation or warranty of any kind, express or implied, as to the suitability of the Premises for a Mountain Mike's Pizza Restaurant or for any other purpose. Our recommendation or acceptance of the Premises indicates only that we believe that the Premises meets or has the potential to meet, or that we have waived, our then current criteria for sites and premises. Application of criteria that have appeared effective with respect to other sites and premises may not accurately reflect the potential for all sites and premises, 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 and premises. The uncertainty and instability of these criteria are beyond our control, and we will not be responsible for the failure of a site and premises we have recommended or accepted to meet your 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 Premises.

#### **B. LEASE OF PREMISES.**

You must submit a proposed lease, sublease or other rental agreement for the Premises (each a "Lease") for our approval within one hundred fifty (150) days of the Effective Date. Any and all Leases that you propose or enter into must: (i) be in a form and contain substance we approve, and (ii) include our form of franchise addendum to lease agreement containing certain required terms and provisions applicable to the Lease. You must deliver to us fully-signed copies of the Lease, as approved by us, within fifteen (15) days after its execution. If you fail to provide us with a fully-signed copy of the Lease, you expressly authorize us to contact your landlord to obtain a copy. At our request, you agree that you will collaterally assign the Lease to us as security for your timely performance of all obligations under this Agreement and secure the lessor's or sublessor's consent to the collateral assignment. You acknowledge that our acceptance of the Lease does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a Mountain Mike's Pizza Restaurant operated at the Premises. This acceptance indicates only that we believe that the Premises and the terms of the Lease fall within the acceptable criteria we have established as of the time of our acceptance.

C. **RESTAURANT DEVELOPMENT.**

You are responsible for developing the RESTAURANT. We will furnish you with mandatory and suggested specifications and layouts for a Mountain Mike's Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme. You are obligated to prepare all required construction plans and specifications to suit the shape and dimensions of the Premises and to ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You are obligated to submit construction plans and specifications to us for approval before construction of the RESTAURANT is commenced and all revised or "as built" plans and specifications during the course of construction. Our review is limited to your compliance with our design requirements. However, our design requirements might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for disabled persons. Therefore, you must make sure that your plans and specifications comply with our requirements, the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We might not assess compliance with federal, state, or local laws and regulations, including the ADA. We can periodically inspect the Premises during the RESTAURANT's development. You (and not we) are responsible for the performance of architects, contractors, and subcontractors you hire to construct, develop, and maintain the RESTAURANT and for ensuring that sufficient insurance coverage is in place during the construction process.

You agree, at your own expense, to do the following to develop the RESTAURANT at the Premises:

- (1) secure all financing required to develop and operate the RESTAURANT;
- (2) obtain all building, utility, sign, health, sanitation, business, liquor and other permits and licenses required to construct and operate the RESTAURANT;
- (3) construct all required improvements to the Premises and decorate the RESTAURANT in compliance with plans and specifications we have approved;
- (4) purchase or lease and install all required fixtures, furniture, equipment (including a computer, telecopier, and point-of-sale information system), furnishings and signs (collectively, "Operating Assets") required for the RESTAURANT;
- (5) purchase an opening inventory of authorized and approved products, materials and supplies ("Supplies");
- (6) give us copies of the documents that we periodically require;
- (7) within ninety (90) days following the opening of the RESTAURANT, provide us with an accounting of all of the costs you incurred in developing the RESTAURANT.

**D. OPERATING ASSETS.**

You agree to use in developing and operating the RESTAURANT only those Operating Assets that we have approved for Mountain Mike's Pizza Restaurants as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display at the Premises (interior and exterior) only such signs, emblems, lettering, logos and display materials that we approve from time to time. You agree to purchase or lease approved brands, types or models of Operating Assets only from suppliers we have designated or approved (which may include or be limited to us and/or our affiliates).

**E. COMPUTER SYSTEM.**

You agree to use in operating the RESTAURANT the computer equipment, technology products, and technology systems ("Computer System") we specify or approve, which includes a point-of-sale system and all equipment components and software necessary for you to accept and process online orders and our gift and loyalty cards and participate in our gift card, customer loyalty, affinity, and similar programs. You must ensure that the Computer System and networks are adequately maintained and protected from unauthorized access. You must subscribe to a service we specify to install an appropriate firewall. You must ensure that all operating systems software is regularly maintained and updated in accordance with the manufacturers' specifications and in compliance with Payment Card Industry (PCI) Compliance Standards. We may require you to obtain specified equipment and/or software and may modify specifications for and components of the Computer System from time to time. Our modification of specifications for the components of the Computer System may require you to incur costs to purchase, lease and/or license new or modified equipment and/or software and to obtain service and support for the Computer System during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Computer System and that your cost of obtaining the Computer System may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur these costs in obtaining the equipment and software comprising the Computer System (or additions or modifications thereto). Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us (including the Intranet), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click through license agreement), that we and our affiliates periodically prescribe to regulate your use of, and our (or our affiliates') and your respective rights and responsibilities with respect to, the software or technology. We, our affiliates, and our designated suppliers may charge you upfront and ongoing fees for any required or recommended software or technology we, our affiliates, or our designated suppliers license to you and for other Computer System maintenance and support services provided during this Agreement's term.

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (1) acquiring, operating, maintaining, and upgrading the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The Computer System must permit twenty-four (24) hours per day, seven (7) days per week electronic communications between you and us, including access to the Internet and Intranet (but excluding matters relating to labor relations and employment practices).

**F. RESTAURANT OPENING.**

You agree not to open the RESTAURANT for business until:

(1) the RESTAURANT has been developed according to our specifications and standards and we notify you in writing that the RESTAURANT is acceptable (although our acceptance is not a representation or warranty, express or implied, that the RESTAURANT complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations or a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) pre-opening training has been completed to our satisfaction;

(3) the initial franchise fee and all other amounts then due to us have been paid; and

(4) we have been furnished with copies of all insurance policies required by this Agreement, or other evidence of insurance coverage and payment of premiums that we request or accept.

Subject to your compliance with these conditions, you agree to open the RESTAURANT for business within fifteen (15) months after this Agreement's effective date or on or before the date specified in the Lease, whichever is earlier. If you fail to timely open the RESTAURANT and we do not exercise our right "in our sole judgment to terminate this Agreement, you must pay us a minimum Royalty of Five Hundred Dollars (\$500) per week (or prorated week) for each week that the RESTAURANT is not open (the "Minimum Royalty") until the RESTAURANT opens or we exercise our right to terminate this Agreement. Our acceptance of the Minimum Royalty (or any other fees you owe and timely pay us) is not a waiver of any default by you under this Agreement, nor shall it be deemed to be a waiver of any of our rights under this Agreement, including our right to subsequently terminate this Agreement as a result of your failure to timely open the RESTAURANT.

**G. MARKETING PROGRAM.**

You agree to pay us a marketing fee in the amount of Eight Thousand Dollars (\$8,000) as follows: (1) Four Thousand Dollars (\$4,000) is payable upon execution of this Agreement and the remaining Four Thousand Dollars (\$4,000) is payable upon execution of the Lease if this

Agreement is for a new Mountain Mike's Pizza Restaurant; or (2) Eight Thousand Dollars (\$8,000) is payable upon execution of this Agreement if this Agreement is for the transfer of an existing Mountain Mike's Pizza Restaurant. We will disburse these amounts for the RESTAURANT's marketing program, which will utilize the marketing and public relations programs and media and advertising materials we have developed or approved. If we spend less than this Eight Thousand Dollars (\$8,000) for the RESTAURANT's marketing program, we will not refund the difference to you but will deposit the difference into the Marketing Fund.

3. **FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us upon signing this Agreement a nonrecurring and nonrefundable initial franchise fee in the amount of Thirty Thousand Dollars (\$30,000), which we will fully earn upon our execution of this Agreement. The initial franchise fee is not in exchange for any particular products, services, or assistance but instead is solely in consideration of our signing this Agreement.

B. **ROYALTY.**

You agree to pay us a weekly royalty ("Royalty") in the amount of five percent (5%) of the RESTAURANT's gross sales (as defined in Paragraph C of this Section). You must sign and deliver to us, before the RESTAURANT opens, the documents we require to authorize us to debit your business checking account automatically for the Royalty and other amounts due under this Agreement. On each Monday, you must report to us electronically or in writing, as we direct, the RESTAURANT's true and correct Gross Sales for the week ending on the immediately preceding Sunday. We will debit your account on Wednesday for the Royalty that is due on account of these Gross Sales. You agree to make the necessary funds available in your account for withdrawal before each Wednesday.

If you fail to report the RESTAURANT's Gross Sales on a weekly basis as required, we can debit your account each Wednesday for one hundred twenty percent (120%) of the Royalty that we debited during the previous week. If the Royalty we debit from your account is less than the Royalty you actually owe us (once we have determined the RESTAURANT's true and correct Gross Sales for the week), we will debit your account for the balance of the Royalty due on the following Wednesday. If the Royalty we debit from your account is greater than the Royalty you actually owe us for the week, we will credit the excess against the amount we otherwise would debit from your account on the following Wednesday.

We can require you to pay the Royalty by means other than automatic debit (e.g., by check) whenever we deem appropriate, and you agree to comply with our payment instructions. The Royalty is not in exchange for any particular products, services, or assistance but instead is solely in consideration of our granting the Franchise to you.

C. **DEFINITION OF “GROSS SALES”.**

As used in this Agreement, the term “Gross Sales” means all revenue from operating the RESTAURANT, including, but not limited to, all revenue from games and other vending machines, delivery and service fees, all amounts you receive at or away from the Premises, and the proceeds of business interruption insurance and rental income of any type, whether from cash, check, credit and debit card, trade credit or credit transactions, but (1) excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by customer refunds, adjustments, credits and allowances actually made by the RESTAURANT (if the original payment was included in Gross Sales). For the avoidance of doubt, “Gross Sales” includes the amount charged to customers for menu items delivered by third party delivery service providers, as opposed to the net amount you receive after paying to the third party delivery service provider (either directly or via the third party’s withholding of) a fee based on a percentage of those amounts. If you sell any products or services, or engage in any business activities, at or from any part of the Premises other than the products, services, and business activities that we expressly authorize for Mountain Mike’s Pizza Restaurants (which you may do only with our prior written consent, which we may grant or withhold as we deem best), all revenue you derive from selling those products or services or engaging in those business activities at or from the Premises will be included in and/or added to, and deemed to be part of, the RESTAURANT’s Gross Sales, without any deductions whatsoever, for purposes of calculating your Royalty and Marketing Fund contributions under this Agreement, even if those products, services, or business activities do not directly use or are not directly associated with any of the Marks. To ensure that the Gross Sales you report to us include all required revenue you derive from operating the RESTAURANT, we have the right to receive directly from all third-party and other vendors with whom the RESTAURANT does business, upon our request to them, all financial and other information regarding their dealings with the RESTAURANT, including any sales the RESTAURANT makes to or through them or on account of the services they provide. You hereby authorize those third-party and other vendors to respond to our requests by disclosing to or sending us all such financial and other information regarding their dealings with the RESTAURANT. You acknowledge that this provision is the only authority the third-party and other vendors need in order to do so.

D. **INTEREST ON LATE PAYMENTS.**

All amounts which you owe us, if more than seven (7) days late, will bear interest beginning after their original due date at the rate of one and one-half percent (1.5%) per month or the highest contract rate of interest permitted by law, whichever is less. In addition, you agree to pay us a service charge of One Hundred Dollars (\$100) for each required payment not made on or before its original due date and for each late sales report (including weekly electronic and/or monthly hard copy reporting). This service charge is not interest or a penalty. It is solely to compensate us for increased administrative and management costs due to your late payment. We can debit your account for these amounts. You acknowledge that this Paragraph does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the RESTAURANT. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 14 hereof, notwithstanding the provisions of this Paragraph.

**E. APPLICATION OF PAYMENTS.**

Notwithstanding any designation you might make, we may apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we can set off any amounts you or your owners owe us or our affiliates (regardless of the source of your or your owners' obligation to us) against any amounts we or our affiliates might owe you or your owners (regardless of the source of our or their obligation to you). You cannot withhold payment of any amounts owed to us due to our alleged nonperformance of any of our obligations under this Agreement.

**4. TRAINING AND ASSISTANCE.**

**A. TRAINING.**

Before the RESTAURANT begins operating, we will furnish initial training on the operation of a Mountain Mike's Pizza Restaurant to you (or, if you are a corporation, limited liability company or partnership, your managing shareholder, partner or member ("Managing Owner")) and one (1) supervisory employee who actually will manage the RESTAURANT on-site. Training focuses on our philosophy, System Standards, and the material aspects of operating a Mountain Mike's Pizza Restaurant, excluding aspects relating to labor relations and employment practices. Up to five (5) weeks of training for you (or your Managing Owner) and your supervisory employee will be furnished at our designated training facility and/or at an operating Mountain Mike's Pizza Restaurant. You (or your Managing Owner) and your supervisory employee are required to complete the initial training to our satisfaction and to participate in all other activities required to operate the RESTAURANT so that the quality of the products, services, and Mountain Mike's Pizza brand is maintained. Although we will furnish initial training to you (or your Managing Owner) and one (1) supervisory employee at no additional fee or other charge, you will be responsible for all travel and living expenses which you (or your Managing Owner) and your supervisory employee incur while training. We will provide up to ten (10) days (at our discretion) of additional training at the RESTAURANT to the RESTAURANT's management personnel on our philosophy and System Standards and not on matters relating to labor relations and employment practices. This training will be provided before and after the RESTAURANT begins operations according to the schedule we determine. You agree to pay our then current fee for training a replacement manager if your originally-appointed RESTAURANT manager is not qualified to hold that position. If we determine that you (or your Managing Owner) are unable to complete initial training to our satisfaction, we can terminate this Agreement under Section 14 hereof.

You (or your Managing Owner) may request additional training during the initial training program, excluding training relating to labor relations and employment practices, to be provided at no additional charge, if you (or your Managing Owner) do not feel completely trained in the operation of a Mountain Mike's Pizza Restaurant (other than areas relating to labor relations and employment practices). We and you will jointly determine the duration of this additional training. However, if you (or your Managing Owner) satisfactorily complete our initial training program, and do not expressly inform us at the end of the initial training program that you (or your Managing Owner) do not feel completely trained in the operation of a Mountain Mike's



Pizza Restaurant, then you will be deemed to have been trained sufficiently to operate a Mountain Mike's Pizza Restaurant.

We may require you (or your Managing Owner) and/or previously trained and experienced supervisory employees to attend periodic refresher training courses at the times and locations that we designate, for which we may charge fees. We also may require you to pay us fees for training new supervisory employees hired after the RESTAURANT's opening. You agree to give us reasonable assistance in training other Mountain Mike's Pizza Restaurant franchisees (in areas other than those relating to labor relations and employment practices). We will reimburse you for providing this assistance.

**B. GENERAL GUIDANCE.**

We may advise you from time to time regarding the RESTAURANT's operation based on reports you submit to us or inspections we make. In addition, we may provide recommendations to you with respect to:

- (1) standards, specifications and operating procedures and methods utilized by Mountain Mike's Pizza Restaurants;
- (2) purchasing required Operating Assets and Supplies;
- (3) advertising and marketing programs;
- (4) supervisory employee training; and
- (5) administrative, bookkeeping and accounting procedures.

We may provide recommendations in our operations manual ("Operations Manual"); in bulletins or other written materials; by Electronic Media and Intranets; by telephone consultation; and/or at our office or the RESTAURANT. If you request and we agree to provide, or we determine that you need, additional or special guidance, assistance, or training during this Agreement's term, you agree to pay our personnel's per diem charges (including wages) and travel, hotel, and living expenses. An "Intranet" means an internal network that we design and administer for the Mountain Mike's system through which members of the Mountain Mike's system may, in compliance with our terms of use and other System Standards, communicate with each other and through which we may circulate updates to the Operations Manual and other Confidential Information.

**C. OPERATIONS MANUAL.**

We will give you access during the term of this Agreement to our Operations Manual, consisting of the materials (including, as applicable, audio, video, written, and on-line materials) that we generally furnish to franchisees from time to time for use in operating a Mountain Mike's Pizza Restaurant. The Operations Manual contains mandatory specifications, standards, operating procedures and rules ("System Standards") that we prescribe from time to time for the operation of a Mountain Mike's Pizza Restaurant, information on your other obligations under

this Agreement, and recommendations for operations. We may modify the Operations Manual from time to time to reflect changes in System Standards. You agree to keep your copy of the Operations Manual, whether provided in hard copy or electronically, current and secure. In the event of a dispute over its contents, the master copy of the Operations Manual we maintain will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual. If you have a hard copy of the Operations Manual and it is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge.

We may, at our option, post some or all of the Operations Manual on a System Website or Intranet. If we do so, you must monitor and access the System Website or Intranet for updates to the Operations Manual and System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on the System Website or Intranet will be a part of Confidential Information. We may require you to return a portion or the entire copy of the Operations Manual given to you in paper or other tangible form if we post some or all of the Operations Manual on a System Website or Intranet.

**D. DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

**5. MARKS.**

**A. OWNERSHIP AND GOODWILL OF MARKS.**

Your right to use the Marks is derived solely from this Agreement and limited to your operation of the RESTAURANT pursuant to and in compliance with this Agreement and all System Standards we prescribe from time to time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by this use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the RESTAURANT under this Agreement). All provisions of this Agreement applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

**B. LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the sole identification of your RESTAURANT. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address or social media account/platform you maintain on any Electronic Media, unless and then only to the extent that we authorize you to do so, or (5) in any other manner we have not expressly authorized in writing. You may not use any mark in advertising the transfer, sale, or

other disposition of the RESTAURANT or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the RESTAURANT and on forms, advertising, supplies, and other materials we designate. To the extent you use any Mark in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of employees at the RESTAURANT and that we, as the franchisor of Mountain Mike's Pizza Restaurants, are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law. At our request, you agree to participate, in the manner we specify, in any System Website we establish for the Mountain Mike's Pizza system. We define a "Website" as an interactive electronic document contained in a network of computers linked by communications software, including the Internet and World Wide Web Home Pages.

**C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, in any infringement, challenge or claim. We have sole discretion to take the action we deem appropriate (including no action) and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You agree to sign any and all instruments and documents, render the assistance and do the acts and things that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

**D. DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will reimburse you for your reasonable direct expenses of changing the RESTAURANT's signs. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

**E. INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided your use has been consistent with this Agreement, the Operations Manual, and System Standards communicated to you and you have timely notified us of, and complied with our

directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from or relating to your use of any Mark under this Agreement.

6. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information (the “Confidential Information”) relating to the development and operation of Mountain Mike’s Pizza Restaurants, which includes (without limitation):

- (1) recipes;
- (2) site selection criteria;
- (3) training and operations materials, manuals, and software;
- (4) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Mountain Mike’s Pizza Restaurants;
- (5) marketing and advertising programs for Mountain Mike’s Pizza Restaurants;
- (6) knowledge of specifications for and suppliers of certain Operating Assets and Supplies;
- (7) computer software or similar technology that is proprietary to us, our affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (8) knowledge of the operating results and financial performance of Mountain Mike’s Pizza Restaurants other than the RESTAURANT; and
- (9) graphic designs and related intellectual property.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating the RESTAURANT during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You further acknowledge and agree that Confidential Information is proprietary, includes our trade secrets and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you:

- (a) will not use Confidential Information in any other business or capacity;

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

(c) will not make unauthorized copies of any portion of Confidential Information disclosed via electronic medium or in written or other tangible form; and

(d) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure thereof to RESTAURANT personnel and others and using non-disclosure agreements with those having access to Confidential Information. We have the right to review and pre-approve the form of non-disclosure agreement that you use—solely to ensure that you adequately protect Confidential Information—and to be a third party beneficiary of that agreement with independent enforcement rights. Under no circumstances will we control the forms or terms of employment agreements you use with the RESTAURANT's employees or otherwise be responsible for your labor relations or employment practices.

You agree that we (and our affiliates) will have the perpetual royalty-free right to use and authorize other Mountain Mike's Pizza Restaurant franchisees to use, and you agree fully and promptly to disclose to us, all ideas, concepts, formulas, recipes, techniques or materials relating to a Mountain Mike's Pizza Restaurant that you and/or your employees conceive or develop during the term of this Agreement.

Despite the foregoing, Confidential Information does not include information, knowledge or know-how which a person can prove he or she knew before becoming aware of it as a result of anything we or a franchisee provided directly or indirectly or before his or her operation of or presence at the RESTAURANT. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information has the burden of proving that the exclusion provided in this paragraph is fulfilled.

## **7. EXCLUSIVE RELATIONSHIP.**

You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Mountain Mike's Pizza Restaurants if franchisees of Mountain Mike's Pizza Restaurants were permitted to hold interests in or perform services for a Competitive Business (defined below). You also acknowledge that we have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners' spouses) will:

(1) have any direct or indirect controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating;

(2) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business operating within twenty-five (25) miles of the RESTAURANT;

(3) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business operating within ten (10) miles of any Mountain Mike's Pizza Restaurant other than the RESTAURANT (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded will not be deemed to violate this subparagraph);

(4) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located;

(5) divert or attempt to divert any actual or potential business or customer of the RESTAURANT to another business; or

(6) engage in any other activity that may injure the goodwill of the Marks and System.

The term "Competitive Business," as used in this Agreement, means any business operating, or granting franchises or licenses to others to operate, any restaurant or food service business featuring pizza as a primary product (other than a Mountain Mike's Pizza Restaurant operated under a franchise agreement with us). You agree to obtain reasonable noncompetition covenants from the RESTAURANT's supervisory personnel as necessary to protect our Confidential Information and the competitiveness of Mountain Mike's Pizza Restaurants. However, under no circumstances will we control the forms or terms of employment agreements you use with RESTAURANT employees or otherwise be responsible for your labor relations or employment practices.

## 8. **SYSTEM STANDARDS.**

### A. **COMPLIANCE WITH SYSTEM STANDARDS.**

You acknowledge and agree that your operation and maintenance of the RESTAURANT according to System Standards are essential to preserve the goodwill of the Marks and all Mountain Mike's Pizza Restaurants. Therefore, at all times during the term of this Agreement, you agree to operate and maintain the RESTAURANT according to each and every System Standard, as we periodically modify and supplement them during the term of this Agreement, even if you believe that a System Standard, as originally issued or subsequently modified or supplemented, is not in the System's or your RESTAURANT's best interests. Although we retain the right to establish and periodically modify System Standards, you retain the right to control, and responsibility for, the RESTAURANT's management and operation and implementing and maintaining System Standards at the RESTAURANT. System Standards may regulate any one or more of the following for the RESTAURANT:

(1) design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling; replacement of obsolete or worn-out leasehold improvements and Operating Assets; periodic painting; and use of interior and exterior signs, emblems, lettering and logos;

(2) types, models and brands of required Operating Assets and Supplies;

(3) required or authorized products and services and product and service categories; product preparation, storage, handling and packaging procedures; and product inventory requirements;

(4) designated or approved suppliers of Operating Assets, Supplies, and/or services (which may be limited to or include us and our affiliates, in which case you will be obligated to acquire certain items for your RESTAURANT only from us and/or our affiliates at the prices we decide to charge) and supplier approval procedures and criteria;

(5) terms and conditions of the sale and delivery of, and terms and methods of payment for, Supplies and services that you obtain from us and affiliated and unaffiliated suppliers; our right not to sell any products to you, or to sell products to you only on a “cash-on-delivery” or other basis, if you are in default under any agreement with us; our right (without liability) to consult with your suppliers about the status of your account with them and to advise your suppliers and others with whom you, we and other franchisees deal that you are in default under any agreement with us; and our right to receive payments (including, without limitation, rebates, credits and/or other fees) from suppliers on account of their dealings with you and other franchisees and to keep or use all amounts we receive without restriction for any purposes we deem appropriate;

(6) sales, marketing, advertising and promotional programs and materials and media used in these programs;

(7) use and display of the Marks;

(8) staffing the RESTAURANT as necessary to operate the RESTAURANT in compliance with System Standards and employee dress and appearance. However, you have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must communicate clearly with RESTAURANT employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Mountain Mike’s Pizza Restaurants, are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. RESTAURANT employees are under your control at the RESTAURANT. You must obtain an acknowledgment (in the form we specify or approve) from all RESTAURANT employees that you (and not we) are their employer;

(9) days and hours of operation of the RESTAURANT (including, without limitation, requiring operation on observed religious days);

(10) participation in market research and testing and product and service development programs;

(11) acceptance of credit and debit cards, other payment systems and check verification services;

(12) your complying with our customer-complaint-resolution procedures and reimbursing us promptly for our out-of-pocket costs if we resolve a customer complaint because you fail to do so as or when we require;

(13) bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us (excluding employee- and employment-related information);

(14) types, amounts, terms and conditions of insurance coverage required to be carried for the RESTAURANT and standards for underwriters of policies providing required insurance coverage; our protection and rights under these policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the RESTAURANT at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;

(15) complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the RESTAURANT or if you receive any report, citation or notice regarding the RESTAURANT's failure to comply with any health, cleanliness or safety standard;

(16) participating in, and complying with the requirements of, all mandatory promotional programs, gift and loyalty programs, affinity and similar programs. This participation includes, but is not limited to, limited time offers, campaigns, special offers or coupons that we distribute nationally or locally by e-mail, our website, electronically, online, social networking sites, direct mail, or other method of distribution. You must issue, honor, redeem and follow our guidelines on the acceptance and reimbursement of gift certificates, gift cards, rewards coupons, loyalty offers and other promotional programs we provide in our manuals or otherwise in writing. We may keep any monies that are not used by customers to the extent allowed by applicable law; and

(17) regulation of any other aspects of the operation and maintenance of the RESTAURANT that we determine from time to time to be useful to preserve or enhance



the efficient operation, image or goodwill of the Marks and Mountain Mike's Pizza Restaurants.

You agree that System Standards prescribed from time to time in the Operations Manual, 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.

You are required to offer delivery services directly from the RESTAURANT and we may, in our sole judgment, allow you to offer catering services. You must make accommodations for delivery and/or catering services in compliance with our System Standards set forth in the Operations Manual or otherwise in writing by us, including without limitation, utilizing only the specified designated delivery and/or catering service providers we identify, making available the products and services identified as appropriate for delivery and/or catering (and only those designated products and services), and limiting the delivery and/or catering services to any delivery and/or catering area we specify to you in writing. You acknowledge and agree that any delivery and/or catering area we specify is not exclusive and we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery and/or catering area without any restrictions (including allowing other Mountain Mike's Pizza Restaurant franchisees and delivery and/or catering service providers to provide delivery and/or catering services in the delivery and/or catering area). You further acknowledge and agree that any delivery and/or catering area we specify is nothing more than the geographic boundaries in which you may deliver and/or cater those products and services approved for delivery and/or catering from the RESTAURANT, and no other rights are granted to you whatsoever.

**B. MODIFICATION OF SYSTEM STANDARDS.**

We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and any modifications may obligate you to invest additional capital in the RESTAURANT ("Capital Modifications") and/or incur higher operating costs. Except for changes in the Computer System (the amounts for and timing of which are not limited), we will not obligate you to make any Capital Modifications during the first three (3) years of the term of this Agreement or after that time when the investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement, unless we agree to extend the term of this Agreement so that the additional investment, in our reasonable judgment, may be amortized, or unless the investment is necessary in order to comply with applicable laws. We agree to give you sixty (60) days to comply with Capital Modifications we require that will cost up to Five Thousand Dollars (\$5,000), ninety (90) days to comply with Capital Modifications we require that will cost between Five Thousand Dollars (\$5,000) and Ten Thousand Dollars (\$10,000), and one hundred twenty (120) days to comply with Capital Modifications we require that will cost over Ten Thousand Dollars (\$10,000). Your failure to comply with modifications to System Standards within the required time periods is an incurable default under this Agreement, as provided in Section 14.B. below.

C. **PRICING.**

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and/or services offered by the RESTAURANT; recommending retail prices; advertising specific retail prices for some or all products or services sold at the RESTAURANT; requiring you to participate in marketing, promotional and related campaigns which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which the RESTAURANT may charge the public for the 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 franchise owners and not others. You acknowledge that the prices we prescribe or suggest may or may not optimize the revenues or profitability of the RESTAURANT and you irrevocably waive any and all claims arising from the establishment or suggestion of the RESTAURANT's retail prices.

D. **NON-COMPLIANCE FEE.**

You acknowledge the importance of operating the RESTAURANT in full compliance with this Agreement and our System Standards set forth in the Operations Manual or otherwise communicated to you. You further acknowledge that your deviation from any contractual requirement, including any System Standard, is a violation of this Agreement and will require us to incur incalculable administrative and management costs to address the violation (separate and apart from any damages your violation might cause to the Mountain Mike's Pizza® System, our business opportunities, and the goodwill associated with the Marks). Therefore, you agree that, in order to compensate us for our incalculable administrative and management costs due to your operational violations, you must pay us, at our option, Five Hundred Dollars (\$500) for each deviation from a contractual requirement, including any System Standard, cited by us (the "Non-Compliance Fee"). However, if we discover that same (or a substantially similar) deviation on one or more consecutive, subsequent visits to or inspections of the RESTAURANT, the Non-Compliance Fee will, at our option, be One Thousand Dollars (\$1,000) for the first repeat deviation and Two Thousand Dollars (\$2,000) for the second and each subsequent repeat deviation. (The Non-Compliance Fee does not apply to payment defaults for which we may charge interest and service charges under Subsection 3.D. above.) The Non-Compliance Fee, should one be charged, is deemed by us and you to be a reasonable estimate of our administrative and management costs and is not a penalty. We may debit your account for Non-Compliance Fees, or set off monies otherwise due and payable to you, to cover the payment of Non-Compliance Fees. Non-Compliance Fees are due and payable to us within five (5) days after we notify you that we are charging you the Non-Compliance Fee due to your violation. We need not give you a cure opportunity before charging the Non-Compliance Fee. Charging the Non-Compliance Fee does not preclude us from seeking to recover damages to the Mountain Mike's Pizza® 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, formally defaulting you and terminating this Agreement under Section 14.B., or exercising any of our other rights under this Agreement.

9. **MARKETING.**

A. **MARKETING FUND.**

Recognizing the value of advertising and marketing to the goodwill and public image of Mountain Mike's Pizza Restaurants, we have established a marketing fund (the "Marketing Fund") for the advertising, marketing and public relations programs and materials we deem appropriate. You agree to contribute to the Marketing Fund the amounts that we prescribe from time to time, not to exceed one percent (1%) of the Gross Sales of the RESTAURANT, payable in the same manner as the Royalty due hereunder. Mountain Mike's Pizza Restaurants that we or our affiliates own will contribute to the Marketing Fund on the same percentage basis as our franchisees.

We will direct all programs financed by the Marketing Fund, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. You agree that the Marketing Fund may be used to pay the costs of our administration of any gift card, customer loyalty, affinity, or similar program; preparing and producing video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail and other media advertising and employing advertising, promotion and marketing agencies to provide assistance; administering field marketing programs, including secret shopper programs, California Association of Employers membership, and store evaluation visits; and supporting public relations, market research and other advertising, promotion and marketing activities.

The Marketing Fund will be accounted for separately from our other funds (although we need not keep Marketing Fund contributions in a separate bank account) and will not be used to defray any of our general operating expenses, except for the reasonable salaries, administrative costs, travel expenses and overhead we may incur in activities related to administering the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Marketing Fund. Although the Marketing Fund is not a trust, all contributions to the Marketing Fund will be held for the benefit of those who have contributed to the Marketing Fund and used solely for the purposes for which the contributions were made. We may spend, on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Mountain Mike's Pizza Restaurants to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others (paying reasonable interest) to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Marketing Fund and furnish the statement to you upon written request. We can have the Marketing Fund incorporated or operated through a separate entity anytime we deem appropriate, and the successor entity will have all of the rights and duties specified in this Section.

You acknowledge that the purpose of the Marketing Fund is to maximize recognition of the Marks and patronage of Mountain Mike's Pizza Restaurants. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising and marketing that will benefit all Mountain Mike's Pizza Restaurants, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by Mountain Mike's Pizza Restaurants operating in that geographic area or that any Mountain Mike's Pizza Restaurant will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, or maintaining, directing or administering, the Marketing Fund.

We can defer or reduce contributions of a Mountain Mike's Pizza Restaurant franchisee and, upon thirty (30) days' prior written notice to you, reduce or suspend contributions to and operations of the Marketing Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees and to us and our affiliates in proportion to their and our respective contributions to the Marketing Fund during the preceding twelve (12) month period.

**B. ADVERTISING COOPERATIVES.**

You agree that we may, in our sole discretion, designate any geographic area in which two (2) or more Mountain Mike's Pizza Restaurants are located as a region in order to establish an advertising cooperative ("Cooperative"). The Cooperative's members in any area will include all of the Mountain Mike's Pizza Restaurants operating in that area. Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop promotional materials 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 RESTAURANT is located, or if we establish a Cooperative in the area covering your RESTAURANT during this Agreement's term, you must sign any documents we require to become a member of the Cooperative and participate in the Cooperative as those documents require.

In addition to your Marketing Fund contribution in Paragraph A above, you agree to contribute to the Cooperative the amounts that we prescribe from time to time, not to exceed two percent (2%) of the RESTAURANT's Gross Sales, although the Cooperative's members may increase the required contribution by a two-thirds (2/3) vote of all Mountain Mike's Pizza Restaurant franchisees who are members of that Cooperative. Each franchisee will have one vote, regardless of the number of Mountain Mike's Pizza Restaurants that franchisee (or its affiliates) operates within the Cooperative's area. You must pay us your Cooperative

contribution in the same manner as the Royalty, and we will maintain it for the Cooperative's use.

You agree to submit to us and the Cooperative any reports that we require. We or our designee will maintain and administer the Cooperative's account according to the Cooperative's governing documents. We will operate the Cooperative solely to collect and spend Cooperative contributions for the purposes described above. We or our designee may use the Cooperative's funds to cover the reasonable salaries, administrative costs, travel expenses, and overhead we and/or our designee incur in administering the Cooperative and its programs. The Cooperative and its members may not use any advertising or promotional plans or materials without our prior written consent.

C. **BY YOU.**

You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies which 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 we receive the materials, they will be considered approved. You may not use any advertising, promotional or marketing materials that we have disapproved. As used in this Subsection, "advertising, promotional, and marketing materials" include any information relating to us, you, or the RESTAURANT that you plan to include on a Website (if we allow you to establish a Website).

D. **SYSTEM WEBSITE AND INTRANET.**

(1) We or our designees may establish a website or series of websites for the Mountain Mike's Pizza Restaurant network: (a) to advertise, market, and promote Mountain Mike's Pizza Restaurants, the products and services they offer and/or the Mountain Mike's Pizza Restaurant franchise opportunity; (b) to function as the Intranet; and/or (c) for any other purposes we deem appropriate for Mountain Mike's Pizza Restaurants (collectively, the "**System Website**"). If we establish a System Website, we may provide you with a separate interior webpage (accessible only through the System Website) referencing your Restaurant and/or otherwise allow you to participate in the System Website. You must develop your webpage at your own expense using a template we provide. We must pre-approve your webpage before it is posted by our webmaster on the System Website and have the continuing right to monitor and pre-approve your webpage's form, content, and quality during this Agreement's term. We may reject your webpage if its form or content is unacceptable to us. Your webpage always must comply with System Standards. You may modify your webpage only through and with the pre-approval of our webmaster. You must give us the information and materials we request for you to participate in the System Website. By giving us the information and materials, you represent they are accurate and not misleading and do not infringe any other party's rights. We will own all intellectual property and other rights in the System Website, your webpage, and all information they contain (including, without limitation, the log of "hits" by visitors and any personal or business data that visitors supply).

We will control, and may use Marketing Fund contributions to develop, maintain, operate, update, and market, the System Website, including your webpage (if any). We will update the information on your webpage, if any, or add information we approve as frequently as we deem appropriate. You must notify us whenever any information on your webpage changes or is not accurate. You must pay our then current fee to participate in the various aspects of the System Website or as we otherwise require to maintain and operate the System Website's various features and functions (if, or to the extent, the Marketing Fund does not pay for these costs). We have final approval rights over all information on the System Website, including your webpage, if any. We may implement and periodically modify System Standards for the System Website.

We will maintain your webpage, if any, and otherwise allow you to participate in the System Website only while you are in substantial compliance with this Agreement and all System Standards (including those for the System Website). If you are in material default of any obligation under this Agreement or System Standards, we may, in addition to our other remedies, temporarily suspend your participation in the System Website until you fully cure the default. We will permanently terminate your access to and participation in the System Website upon this Agreement's expiration or termination.

All advertising, marketing, and promotional materials you develop for the Restaurant must contain notices of the System Website's URL in the manner we periodically designate. You may not develop, maintain, or authorize any other website, other online presence, or other electronic medium mentioning or describing the Restaurant or displaying any Marks without our prior written approval. Except for the System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Nothing in this Section limits our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website, or otherwise over the Internet without payment or any other obligation to you.

(2) We may, at our option, establish and maintain an Intranet. We will establish System Standards for the Intranet's use. These System Standards will address, among other things, (a) restrictions on using abusive, slanderous, or otherwise offensive language in electronic communications, (b) restrictions on communications among franchisees endorsing or encouraging breach of any franchisee's franchise agreement, (c) confidential treatment of materials we transmit via the Intranet, (d) password protocols and other security precautions, (e) grounds and procedures for our suspending or revoking a franchisee's access to the Intranet, and (f) a privacy policy governing our access to and use of electronic communications that franchisees post on the Intranet. We expect to adopt and adhere to a reasonable privacy policy. However, as the Intranet's administrator, we have the right to access and view any communication posted on the Intranet. We will own all intellectual property and other rights in the Intranet and all information it contains, including its domain name or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Restaurant's customers, whether that information is contained on your Computer System or our (or our designee's) computer system.

After we notify you that the Intranet has become functional, you must establish and continually maintain electronic connection with the Intranet allowing us to send messages to and receive messages from you. Your obligation to maintain connection with the Intranet applies during this Agreement's entire term (unless we dismantle the Intranet or suspend your access). You must contribute reasonable amounts on an annual, quarterly, monthly, or other basis toward the cost of developing and maintaining the Intranet. If you fail to pay when due any required amount, or fail to comply with any Intranet System Standard, we may (in addition to any other rights we reserve in this Agreement) temporarily suspend your access to any chat room, bulletin board, list-serve, or similar feature the Intranet includes until you fully cure the breach.

#### 10. **RECORDS, REPORTS AND FINANCIAL STATEMENTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe from time to time. The records and information contained in this system will not include any records or information relating to RESTAURANT employees, as you control exclusively your labor relations and employment practices. We may require you to use a Computer System in order to maintain certain sales data and other information. You agree to furnish to us in the manner and format that we prescribe from time to time:

(1) on Monday of each week, a report on the RESTAURANT's Gross Sales during the week ending on the immediately preceding Sunday;

(2) within five (5) days after their filing, copies of all sales tax returns for the RESTAURANT (you agree that we can periodically verify with the appropriate tax authorities the sales taxes that you have paid);

(3) within thirty (30) days after the end of each fiscal quarter of the RESTAURANT, a profit and loss statement for the RESTAURANT for the immediately preceding fiscal quarter and year-to-date and a balance sheet as of the end of that fiscal quarter;

(4) within sixty (60) days after the end of the RESTAURANT's fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the RESTAURANT as of the end of that fiscal year; and

(5) within ten (10) days after our request, exact copies of federal and state income and other tax returns and the other forms, records, books and other information we may periodically require (other than employee records for RESTAURANT employees, as you control exclusively your labor relations and employment practices).

You agree to verify and sign each report and financial statement in the manner we prescribe. We can disclose data derived from these reports without specifically identifying you or the RESTAURANT (unless we have your written consent to do so). We also can require you, if you ever fail to comply with any provision of this Agreement, to have audited financial statements prepared on an annual basis. Moreover, we can, as often as we deem appropriate (including on a

daily basis), access all computer registers and other computer systems that you maintain in operating the RESTAURANT and retrieve all information relating to the RESTAURANT's operations (other than employee records for RESTAURANT employees, as you control exclusively your labor relations and employment practices).

11. **INSPECTIONS AND AUDITS.**

A. **OUR RIGHT TO INSPECT THE RESTAURANT.**

To determine whether you and the RESTAURANT are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you, to:

- (1) inspect the RESTAURANT;
- (2) observe, photograph and videotape the operations of the RESTAURANT for consecutive or intermittent periods we deem necessary;
- (3) remove samples of any Supplies for testing and analysis;
- (4) interview supervisory personnel and customers of the RESTAURANT;  
and
- (5) inspect and copy any books, records and documents relating to the RESTAURANT's operation that we have the authority to control and/or remedy (which excludes labor relations and employment practices).

You agree to cooperate with us fully in these inspections, observations, photographing, videotaping, product removal and interviews. If we exercise any of these rights, we will use our best efforts not to interfere unreasonably with the RESTAURANT's operations. You agree to present to your customers the evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. If the RESTAURANT fails an inspection, as set forth in the System Standards, we reserve the right to charge you a fee to reimburse us for our costs of conducting an additional inspection.

B. **OUR RIGHT TO AUDIT.**

We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are a corporation, limited liability company or partnership) and the RESTAURANT's business, bookkeeping and accounting records, sales and income tax records and returns, bank accounts and credit card processing accounts, and other records we deem relevant to assess your compliance with this Agreement and System Standards (other than employee- and employment-related records for RESTAURANT employees, as you control exclusively your labor relations and employment practices). You agree to cooperate fully with our representatives and independent accountants we hire to conduct any inspection or audit. If any inspection or audit discloses an understatement of the RESTAURANT's Gross Sales, we can debit your account, as provided in



Section 3.B. above, for the Royalty, Marketing Fund contributions and Cooperative contributions due on the amount of the understatement, plus interest from the date originally due until the date of payment. Further, if an inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if an understatement of Gross Sales is greater than two percent (2%) for any period reviewed, you agree to reimburse us for the cost of the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the Mountain Mike's franchise system and that staff members can change as employees come and go. You represent that you did not sign this Agreement in reliance on any particular owner, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes this Agreement's obligations, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement. Specifically and without limiting the foregoing, you agree that we may sell our assets (including this Agreement), the Marks, or the franchise system to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another business entity; and/or undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

B. **BY YOU.**

You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, limited liability company or partnership, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (or any interest herein), the RESTAURANT, nor any direct or indirect ownership interest in you may be transferred without our prior written approval. A transfer of ownership, possession or control of the RESTAURANT may be made only in conjunction with a transfer of this Agreement. Any transfer without this approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in:

- (1) this Agreement;
- (2) you; or

(3) the RESTAURANT.

An assignment, sale, gift or other disposition includes the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest in you;
- (c) any sale of a security convertible to an ownership interest in you;
- (d) transfer of an interest in you, this Agreement or the RESTAURANT in a divorce, insolvency or entity dissolution proceeding or otherwise by operation of law;
- (e) transfer of an interest in you, this Agreement or the RESTAURANT, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or
- (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the RESTAURANT or your transfer, surrender or loss of possession, control or management of the RESTAURANT.

**C. CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your owners) are in full compliance with this Agreement, then subject to this Section 12's other provisions (including our right of first refusal under Section 12.G. below, if applicable), we will approve a transfer satisfying all of this Section's requirements. We have the right to pre-approve the transfer of a non-controlling ownership interest in you (determined as of the date on which the proposed transfer will occur). We expect to approve such a transfer if the proposed transferee and its direct and indirect owners are of good character and otherwise are qualified under our then-existing standards for the approval of new Mountain Mike's Pizza Restaurant franchisees (including no ownership interest in or performance of services for a Competitive Business), the new owner signs our Guaranty and Assumption of Obligations, and you pay us a transfer fee of Two Thousand Five Hundred Dollars (\$2,500), which is due when you request transfer approval and is nonrefundable whether or not the transfer actually occurs. If the new owner of the non-controlling ownership interest (i) fails for any reason to sign the Guaranty and Assumption of Obligations, or (ii) would violate the Guaranty and Assumption of Obligations immediately upon its signing because of certain activities in which the new owner then engages or has engaged, or (iii) has engaged in any dishonest, unethical, immoral, or similar conduct as a result of which his or her association with you and the RESTAURANT could, in our reasonable opinion, have a material adverse effect on the goodwill associated with the Marks, then the proposed transfer to the new owner may not take place despite anything to the contrary contained in this Section 12.

Notwithstanding anything to the contrary in this Section 12 or elsewhere in this Agreement, we need not consider a proposed transfer of a controlling or non-controlling ownership interest in you, or a proposed transfer of this Agreement, until you (or an owner) and the proposed transferee first send us a copy of a bona fide offer to purchase or otherwise acquire the particular interest from you (or the owner). For an offer to be considered “bona fide,” it must include a copy of all proposed agreements among you (or your owner) and the proposed transferee related to the sale, assignment, or transfer.

If the proposed transfer is of this Agreement or a controlling ownership interest in you, or is one of a series of transfers (regardless of the time period over which these transfers take place) in the aggregate transferring this Agreement or a controlling ownership interest in you, then all of the following conditions must be met before or concurrently with the proposed transfer’s effective date:

- (1) the transferee has sufficient business experience, aptitude and financial resources to operate the RESTAURANT and otherwise is qualified under our then-existing standards for the approval of new franchisees;
- (2) you have paid all Royalties, Marketing Fund contributions, Cooperative contributions, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;
- (3) the transferee and its owners and affiliates are not engaged in a Competitive Business;
- (4) the transferee (or its managing owner) and its supervisory personnel (if different from your supervisory personnel) have agreed to complete our standard training program;
- (5) you are allowed to transfer the Lease;
- (6) the transferee must (if the transfer is of this Agreement), or you must (if the transfer is of a controlling ownership interest in you), sign our then current forms of franchise agreement and related documents (“related documents” include the Guaranty and Assumption of Obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, provided, however, that the initial term of the new franchise agreement signed will be equal to this Agreement’s unexpired term, the Exclusive Area definition will not change under the new franchise agreement during its remaining initial term, and the Royalty, Marketing Fund contribution, and Cooperative contribution payable under the new franchise agreement during its remaining initial term will be the same as in this Agreement;
- (7) you or the transferee pays us a transfer fee equal to \$30,000 (if the transferee is a new Mountain Mike’s Pizza Restaurant franchisee) and \$15,000 (if the transferee is an existing Mountain Mike’s Pizza Restaurant franchisee), one-half (½) of which is nonrefundable and due when you request approval of the transfer;

(8) you or the transferee pays us a marketing fee equal to Eight Thousand Dollars (\$8,000), which we will spend in the RESTAURANT's market area to advertise the RESTAURANT's "re-opening" under new ownership and management;

(9) you or the transferee agree to remodel and/or expand the RESTAURANT, add or replace improvements and Operating Assets, and otherwise modify the RESTAURANT as we require to bring it into compliance with specifications and standards then applicable for Mountain Mike's Pizza Restaurants;

(10) you (and your transferring owners) have executed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;

(11) we have approved the material terms and conditions of the transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the RESTAURANT;

(12) if you or your owners finance any part of the purchase price, you and/or your owners agree that (a) the transferee's obligations under promissory notes, agreements, or security interests reserved in the RESTAURANT are subordinate to the transferee's obligation to pay Royalties, Marketing Fund contributions, and other amounts due to us, our affiliates, and third-party vendors and otherwise to comply with this Agreement, and (b) you must obtain our pre-approval and satisfy any conditions we then reasonably impose in order to take back the RESTAURANT upon the transferee's default under any seller-financing documents (you do not under any circumstances have the automatic right to take back the RESTAURANT upon the transferee's default);

(13) you and your transferring owners (and your and your owners' spouses) have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in Section 15.D. hereof; and

(14) you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with other Mountain Mike's Pizza Restaurants you own and operate) identify yourself or themselves or any business as a current or former Mountain Mike's Pizza Restaurant, or as one of our licensees or franchisees, use any Mark, any colorable imitation thereof or other indicia of a Mountain Mike's Pizza Restaurant in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you and that our contact with potential transferees to protect our business interests will not constitute improper or unlawful conduct. You expressly authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms, to communicate candidly and truthfully with the transferee regarding your operation of the RESTAURANT, and

to withhold consent to economically questionable transactions. You waive any claim that the action we take in good faith to protect our business interests in connection with a proposed transfer constitutes tortious interference with contractual or business relationships. Similarly, we may review all information regarding the RESTAURANT that you give the proposed transferee, correct any information we believe is inaccurate, and give the proposed transferee copies of any reports you have given us or we have made regarding the RESTAURANT.

**D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Notwithstanding Paragraph C of this Section, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the RESTAURANT and, if applicable, other Mountain Mike's Pizza Restaurants, in which you maintain management control and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding capital stock or other ownership interests, and further provided that all assets of the RESTAURANT are owned, and the entire business of the RESTAURANT is conducted, by a single corporation or limited liability company. Transfers of ownership interests in this corporation or limited liability company will be subject to the provisions of Paragraph C of this Section. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company had not occurred.

**E. YOUR DEATH OR DISABILITY.**

(1) **Transfer Upon Death or Disability.** Upon your death or disability or, if you are a corporation, limited liability company or partnership, the death or disability of the Managing Owner or the owner of a controlling interest in you, your or the owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or the owner's interest in you to a third party. The disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. In this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you, the Managing Owner or an owner of a controlling interest in you from managing and operating the RESTAURANT.

(2) **Operation Upon Death or Disability.** If, upon your death or disability or the death or disability of the Managing Owner or the owner of a controlling interest in you, the RESTAURANT is not being managed by a trained manager, your or the owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager to operate the RESTAURANT. The manager will be required to complete training at your expense. Pending the appointment of a manager as

provided above or if, in our judgment, the RESTAURANT is not being managed properly any time after your death or disability or after the death or disability of the Managing Owner or the owner of a controlling interest in you, we have the right, but not the obligation, to assume the management of the RESTAURANT. If we assume the RESTAURANT's management (or appoint a third party to do so), the manager will not exercise direct or indirect control over the working conditions of the RESTAURANT's employees, except to the extent such indirect control is related to our legitimate interest in protecting the quality of products, services, and the Mountain Mike's Pizza brand. All funds from the operation of the RESTAURANT during the period we have assumed its management will be kept in a separate account, and all expenses of the RESTAURANT, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also can charge a reasonable management fee (in addition to the Royalty, Marketing Fund contributions and Cooperative contributions payable under this Agreement), not to exceed fifteen percent (15%) of the RESTAURANT's Gross Sales, during the period we have assumed the RESTAURANT's management. We (or a third party) have a duty to use only reasonable efforts and, if we are not grossly negligent and do not engage in willful misconduct, will not be liable to you or your owners for any debts, losses, lost or reduced profits, or obligations the RESTAURANT incurs, or to any of your creditors for any Supplies, assets, or services the RESTAURANT purchases, while we (or a third party) manage it.

If we assume the RESTAURANT's management, we will operate the RESTAURANT for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one (1) year). During each interval, we will periodically evaluate whether or not you or your Managing Owner is capable of resuming the RESTAURANT's operation and periodically discuss the RESTAURANT's status with you or, if applicable, the appropriate heirs or personal representative.

**F. EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and the RESTAURANT or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the RESTAURANT or transferee or a waiver of any claims we may have against you (or your owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

**G. OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the RESTAURANT or an ownership interest in you, you (or your owner) agree to obtain a bona fide, executed written offer (which, as noted in Section 12.C. above, must include a copy of all proposed agreements related to the sale, assignment, or transfer) and earnest money deposit (in the amount of five percent (5%) or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and beneficially of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror and, in the case of a publicly-held corporation or

limited partnership, copies of the most current annual and quarterly reports and Form 10K) and immediately submit to us a true and complete copy of the offer, which includes details of the payment terms. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the RESTAURANT and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, the separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the RESTAURANT must reflect the bona fide price offered and not reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within thirty (30) days from the date of the delivery to us of both an exact copy of the offer and all other information we request, to purchase the interest for the price and on the terms and conditions contained in the offer, provided that:

- (1) we may substitute cash for any form of payment proposed in the offer;
- (2) our credit will be deemed equal to the credit of any proposed purchaser;
- (3) we will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and
- (4) we must receive, and you and your owners agree to make, all customary representations, warranties, and indemnities given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the RESTAURANT before the closing of our purchase.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of two (2) years commencing on the date of the closing, you and they will be bound by the noncompetition covenant contained in Section 15.D. hereof.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the purchaser on the exact terms of the offer, subject to our approval of the transfer as provided in Paragraphs B and C of this Section, provided that, if the sale to the purchaser is not completed within sixty (60) days after delivery of the offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of

the sixty (60) day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

13. **EXPIRATION OF THIS AGREEMENT.**

A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

Upon expiration of the term of this Agreement, if you (and each of your owners) have substantially complied with this Agreement during its term, and provided that:

(1) you must have the right to maintain possession of (for the entire successor term) and agree (regardless of cost) to remodel and/or expand the RESTAURANT, add or replace improvements and Operating Assets, and otherwise modify the RESTAURANT as we require to bring it into compliance with specifications and standards then applicable for Mountain Mike's Pizza Restaurants, or

(2) if you are unable to maintain possession of the Premises, or if in our judgment the RESTAURANT should be relocated, you secure substitute premises we approve, develop these premises in compliance with specifications and standards then applicable for Mountain Mike's Pizza Restaurants and continue to operate the RESTAURANT at the Premises until operations are transferred to the substitute premises,

then, subject to the terms and conditions set forth in this Section 13, you can acquire a successor franchise to operate the RESTAURANT as a Mountain Mike's Pizza Restaurant for a ten (10) year term on the terms and conditions of the franchise agreement we then are using in granting franchises for Mountain Mike's Pizza Restaurants (modified as necessary to reflect the fact that it is for a successor franchise, including that no further successor franchises need be granted), which may contain provisions that differ materially from any and all of those contained in this Agreement, provided, however, that you only will have to pay a successor franchise fee equal to one-half (½) of our then current initial franchise fee. You acknowledge that our granting you the right to acquire a successor franchise on these terms and conditions (if you substantially complied with this Agreement during its term) will be deemed a bona fide offer of renewal.

B. **GRANT OF A SUCCESSOR FRANCHISE.**

You agree to give us written notice of your election to acquire a successor franchise no earlier than twelve (12) months and no later than nine (9) months before the expiration of this Agreement. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period or you notify us that you do not intend to acquire a successor franchise, we need not grant you a successor franchise. We agree to give you written notice ("Our Notice"), not more than ninety (90) days after we receive your notice, of our decision, in accordance with Paragraph A of this Section:

(1) to grant you a successor franchise;



(2) to grant you a successor franchise on the condition that deficiencies of the RESTAURANT, or in your operation of the RESTAURANT, are corrected; or

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

If applicable, Our Notice will:

(a) describe the remodeling and/or expansion of the RESTAURANT and other improvements or modifications required to bring the RESTAURANT into compliance with then applicable specifications and standards for Mountain Mike's Pizza Restaurants; and

(b) state the actions you must take to correct operating deficiencies and the time period in which these deficiencies must be corrected.

If we elect not to grant a successor franchise, Our Notice will describe the reasons for our decision. Our Notice (or a concurrent or subsequent notice) also may request that you immediately send us a list of all RESTAURANT assets then in your possession or that you otherwise use in connection with the RESTAURANT's operation, including which assets (if any) are then subject to any third-party lien. You agree to send us that list immediately. Your right to acquire a successor franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the RESTAURANT or its operation as a condition to the grant of a successor franchise, we will give you written notice of a decision not to grant a successor franchise, based upon your failure to cure these deficiencies, not less than ninety (90) days before the expiration of this Agreement, provided, however, that we will not be required to give you this ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before its expiration. If we fail to give you:

(i) notice of deficiencies in the RESTAURANT, or in your operation of the RESTAURANT, within ninety (90) days after we receive your timely election to acquire a successor franchise (if we elect to grant you a successor franchise under subparagraphs (2) and (b) above); or

(ii) notice of our decision not to grant a successor franchise at least ninety (90) days before the expiration of this Agreement, if this notice is required,

we may extend the term of this Agreement for the period of time necessary in order to provide you with either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise required under this Section.

C. **AGREEMENTS/RELEASES.**

If you satisfy all of the other conditions to the grant of a successor franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then are customarily using in granting successor franchises for Mountain Mike's Pizza Restaurants (modified as necessary to reflect the fact that it is for a successor franchise, including that no further successor franchises need be granted), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign these agreements and releases and deliver them to us (with the successor franchise fee) for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a successor franchise.

14. **TERMINATION OF AGREEMENT.**

A. **BY YOU.**

If you and your owners are in full compliance with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within thirty (30) days after written notice of the material failure is delivered to us or, if the failure cannot be corrected within thirty (30) days, provide reasonable evidence of our effort to correct the failure within a reasonable time, not to exceed sixty (60) days after your notice, you may terminate this Agreement effective thirty (30) days after delivery to us of written notice of termination. Your termination of this Agreement for any other reason or without this notice will be deemed a termination without cause and a breach of this Agreement.

B. **BY US.**

We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in purchasing the Franchise or operating the RESTAURANT;

(2) you (or your Managing Owner) fail successfully to complete initial training to our satisfaction;

(3) you do not locate, and submit for our approval a Lease for, an acceptable site for the Premises within the time period prescribed in Section 2.B of the Franchise Agreement, or deliver a fully-signed copy of any signed Lease within fifteen (15) days after its execution;

(4) you fail to begin operating the RESTAURANT within three hundred (300) calendar days after the effective date of this Agreement;

(5) you (a) abandon the RESTAURANT, meaning that you have deserted, walked away from, or closed the RESTAURANT under circumstances leading us to conclude that you have no intent to resume the RESTAURANT's operation, regardless of the number of days passing since the apparent abandonment, or (b) fail actively and continuously to operate the RESTAURANT (a failure to operate the RESTAURANT for five (5) or more consecutive days will be deemed a default under this clause (b), except where closure is due to fire, riot, flood, acts of terrorism, or natural disaster and you notify us within five (5) days after the particular occurrence to obtain our written approval to remain closed for an agreed-upon amount of time as is necessary under the circumstances before you must re-open);

(6) you surrender or transfer control of the operation of the RESTAURANT without our prior written consent;

(7) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded guilty or no contest to, a felony;

(8) you fail to maintain the insurance we require from time to time and do not correct the failure within ten (10) days after delivery of written notice of that failure to you;

(9) you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the RESTAURANT or another Mountain Mike's Pizza Restaurant or the goodwill associated with the Marks;

(10) you (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the RESTAURANT;

(11) in the event of your death or disability or the death or disability of the Managing Owner or the owner of a controlling interest in you, this Agreement or the owner's interest in you is not assigned as required;

(12) you lose the right to possess the Premises;

(13) you (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operations Manual in violation of this Agreement;

(14) you violate any health, safety or sanitation law, ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and correct the noncompliance or violation within seventy-two (72) hours, after written notice is delivered to you;

(15) you fail to make payments of any amounts due to us, our affiliates, your landlord, vendors, or suppliers and do not correct the failure within ten (10) days after written notice of the failure is delivered to you;

(16) you fail to make payments of any amounts due to your landlord, lenders, vendors, or suppliers and do not correct the failure within cure period provided in the Lease;

(17) you fail to pay when due any federal or state income, employment, service, sales or other taxes due on the operations of the RESTAURANT, unless you are in good faith contesting your liability for these taxes;

(18) you fail to comply with modifications to System Standards within the required time period;

(19) you fail to cure a default under any loan documents concerning any Operating Assets and/or Supplies within the required cure period;

(20) you (or any of your owners) fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to do any one or more or combination of the following: (i) submit when due reports or other data, information or supporting records, (ii) pay when due any amounts due to us or (iii) otherwise comply with this Agreement, whether or not any of the failures set forth in subparagraphs (i) through (iii) are corrected after written notice of the failure is delivered to you;

(21) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the RESTAURANT is attached, seized, subjected to a writ or distress warrant or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the RESTAURANT is not vacated within thirty (30) days following the entry of the order;

(22) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after written notice of the failure to comply is delivered to you; or

(23) you or any of your owners fail to comply with Section 19 of this Agreement, or your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities.

Our written notice of termination (or a concurrent or subsequent notice) may request that you immediately send us a list of all RESTAURANT assets then in your possession or that you otherwise use in connection with the RESTAURANT's operation, including which assets (if any) are then subject to any third-party lien. You agree to send us that list immediately.

### **C. CROSS DEFAULT.**

Any default or breach by you (or any of your owners), or your affiliate (or any of your owner's affiliates) of any other agreement with us or our affiliate will be considered an event of default under this Agreement, and any default or breach by you (or any of your owners) of this

Agreement will be considered an event of default or breach by you under any and all agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then we or our affiliate will have the right to terminate all other agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates) in accordance with the termination provisions of this Agreement.

**D. OUR ALTERNATE REMEDIES UPON YOUR DEFAULT.**

In addition to, and without limiting, our other rights and remedies under this Agreement, any other agreement or applicable law, upon the occurrence of any event giving rise to our right to terminate this Agreement under the preceding Subsection B, we may instead elect, at our sole option and upon delivering providing you written notice, to take any or all of the following actions without terminating this Agreement:

(1) temporarily or permanently reduce the size of the Exclusive Area, in which case the restrictions on us or our affiliates under Section 1 above will not apply in any geographic area removed from the preceding territorial boundaries;

(2) temporarily remove information concerning the RESTAURANT from any System Website, the Intranet, extranet operated for the network of Mountain Mike's Pizza Restaurants, third-party websites (including any ordering/delivery platforms), and/or mobile apps and/or restrict your or the RESTAURANT's participation in other programs or benefits offered on or through any such System Website, the Intranet, extranet, third-party websites (including any ordering/delivery platforms), or mobile apps;

(3) suspend your and the RESTAURANT's right to participate in any advertising, marketing, promotional, or public relations programs that we or the Marketing Fund provide, authorize, or administer; or

(4) assume, or appoint a third party to assume, management of the RESTAURANT in the manner provided in Subsection 14.E below.

**E. ASSUMPTION OF MANAGEMENT.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the RESTAURANT's management on your behalf for the period of time we deem appropriate. If we do so, we will not exercise direct or indirect control over the working conditions of the RESTAURANT's employees, except to the extent such indirect control is related to our legitimate interest in protecting the quality of products, services, and the Mountain Mike's Pizza brand. In addition, if we assume the RESTAURANT's management (or appoint a third party to do so), you will be obligated to pay us our then current per diem charges, as well as the travel, living and other expenses we incur, during the time we assume the RESTAURANT's management. We also have the right to charge a reasonable management fee, not to exceed fifteen percent (15%) of the RESTAURANT's Gross Sales, during this time. We

(or a third party) will have a duty to use only reasonable efforts and, if we are not grossly negligent and do not engage in willful misconduct, will not be liable to you or your owners for any debts, losses, lost or reduced profits, or obligations the RESTAURANT incurs, or to any of your creditors for any Supplies, assets, or services the RESTAURANT purchases, while we (or the third party) manage it. If we (or a third party) assume the RESTAURANT's management under clauses (1) or (3) below, we (or the third party) may retain all, and need not pay you or otherwise account to you for any, Gross Sales generated while we (or the third party) manage the RESTAURANT.

We may assume the management of the RESTAURANT under the following circumstances:

- (1) if you abandon or fail actively to operate the RESTAURANT;
- (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or
- (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the RESTAURANT under Section 15.E. below.

Our exercise of any of the rights granted by subparagraphs (1) and (2) above will not affect our right to terminate this Agreement under Section 14.B. above.

If we assume the RESTAURANT's management, we will operate the RESTAURANT for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one (1) year). In case of assumption under clause (2) above, we will during each interval periodically evaluate whether you are capable of resuming the RESTAURANT's operation and periodically discuss the RESTAURANT's status with you.

15. **OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

A. **PAYMENT OF AMOUNTS OWED TO US.**

You agree to pay us within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on any later date that the amounts due to us are determined, the Royalties, Marketing Fund contributions, Cooperative contributions, amounts owed for purchases from us, interest and all other amounts owed to us which then are unpaid. If we terminate this Agreement on any ground specified under Section 14.B., or if you terminate this Agreement without cause, before its scheduled expiration date, you also will be liable to us for lost future royalties to which we would have been entitled, but for the termination, had you operated for the remaining portion of the term in compliance with this Agreement.

B. **MARKS.**

Upon the termination or expiration of this Agreement:

(1) you may not directly or indirectly at any time or in any manner (except with other Mountain Mike's Pizza Restaurants you own and operate) identify yourself or any business as a current or former Mountain Mike's Pizza Restaurant, or as one of our licensees or franchisees, use any Mark, any colorable imitation thereof or other indicia of a Mountain Mike's Pizza Restaurant in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark and, at our option, to assign to us (or our designee) or cancel any electronic address, domain name, search engine, Website, or social media account that associates you with us, the RESTAURANT, or the Marks (if we have allowed you to establish one);

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a Mountain Mike's Pizza Restaurant and allow us, without liability to you or third parties, to remove all of these items from the RESTAURANT;

(4) if we do not have or do not exercise an option to purchase the RESTAURANT under paragraph E of this Section, you agree that, after, as applicable, the effective date of expiration of this Agreement or the Notification Date, you will promptly and at your own expense make the alterations we specify in our Operations Manual or otherwise to distinguish the RESTAURANT clearly from its former appearance and from other Mountain Mike's Pizza Restaurants so as to prevent confusion of the public;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and any telephone directory listings associated with any Mark, authorize the transfer of these numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify. If you fail to do so, we can take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and

(6) you agree to furnish us, within thirty (30) days after, as applicable, the effective date of expiration of this Agreement or the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information (including computer software we have licensed to you) in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned to you.

D. **COVENANT NOT TO COMPETE.**

Upon

- (1) our termination of this Agreement according to its terms and conditions,
- (2) your termination of this Agreement without cause, or
- (3) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 13),

you and your owners agree that, for a period of two (2) years commencing on the effective date of termination or expiration or the date on which all persons restricted by this Paragraph begin to comply with this Paragraph, whichever is later, neither you nor any of your owners will have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business (as defined in Section 7 above) operating:

- (a) at the Premises;
- (b) within the Exclusive Area;
- (c) within one (1) mile of any other Mountain Mike's Pizza Restaurant in operation or under construction on the later of the effective date of the termination or expiration or the date on which all persons restricted by this Paragraph comply with this Paragraph.

These restrictions also will apply after transfers, as provided in Section 12.C.(12) above.

If any person restricted by this Paragraph refuses voluntarily to comply with the foregoing obligations, the two (2) year period will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Paragraph will not deprive you of your personal goodwill or ability to earn a living.



E. **OUR RIGHT TO PURCHASE RESTAURANT.**

If you decide to transfer the RESTAURANT and this Agreement, or an ownership interest in you, during this Agreement's term, the provisions of Section 12 generally will apply to the proposed transfer. However, under the circumstances listed in subparagraph (1) below, we have certain rights, as described in this Subsection 15.E., to acquire the RESTAURANT upon the termination or expiration of this Agreement.

(1) **Exercise of Option.**

Upon

- (a) our termination of this Agreement according to its terms and conditions,
- (b) your termination of this Agreement without cause, or
- (c) expiration of this Agreement without our or your signing a successor franchise agreement),

we have the option, exercisable by giving you written notice within sixty (60) days after the date of the termination or expiration, to purchase the RESTAURANT from you, including the leasehold rights to the Premises. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date.") We have the unrestricted right to assign this option to purchase the RESTAURANT. We are entitled to all customary representations, warranties, and indemnities in our asset purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and the liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the RESTAURANT before the closing of our purchase. Unless we expressly exercise in writing our right under this Section 15.E. to acquire your leasehold rights to the Premises, whether by an assignment or sublease, you acknowledge that you will be deemed to have the unrestricted right (without further notice from or action by us) to retain control of the Premises.

(2) **Leasehold Rights.**

You agree at our election:

- (a) to assign your leasehold interest in the Premises to us; or
- (b) to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(3) **Purchase Price.**

The purchase price for the RESTAURANT will be its fair market value, determined in a manner consistent with reasonable depreciation of the RESTAURANT's Operating Assets and Supplies, provided that the RESTAURANT will be valued as an independent business and its value will not include any value for:

- (a) the Franchise or any rights granted by this Agreement;
- (b) the goodwill attributable to the Marks, our brand image, and other intellectual property; or
- (c) participation in the network of Mountain Mike's Pizza Restaurants.

We may exclude from the assets purchased cash or its equivalent and any Operating Assets and Supplies that are not reasonably necessary (in function or quality) to the RESTAURANT's operation or that we have not approved as meeting standards for Mountain Mike's Pizza Restaurants, and the purchase price will reflect these exclusions.

(4) **Appraisal.**

If we and you are unable to agree on the RESTAURANT's fair market value, its fair market value will be determined by three (3) independent appraisers, each of whom will conduct an independent appraisal and, in doing so, be bound by the criteria specified in subparagraph (3). We will appoint one appraiser, you will appoint one appraiser and these two appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we are exercising our option to purchase the RESTAURANT (if you and we have not agreed on fair market value before then), and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of them was appointed. You and we will bear the cost of our own appraisers and share equally the fees and expenses of the third appraiser chosen by the two appraisers. You agree that the appraisers will be instructed to complete their appraisal within thirty (30) days after the third appraiser's appointment. The RESTAURANT's fair market value will be deemed to be the median appraisal of the three (3) independent appraisals.

(5) **Closing.**

The purchase price will be paid at the closing of the purchase, which will take place not later than sixty (60) days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners owe to us or our affiliates. At the closing, you agree to deliver instruments transferring to us:

- (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(b) all licenses and permits of the RESTAURANT which may be assigned or transferred; and

(c) the leasehold interest in the Premises and improvements thereon.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

**F. CONTINUING OBLIGATIONS.**

All of our and your (and your owners') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

**16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. INDEPENDENT CONTRACTORS.**

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. Nor are we the employer or joint employer of the RESTAURANT's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, RESTAURANT personnel, and others as the RESTAURANT's independent owner, operator, and manager under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and marketing, and other materials we periodically require. We will not exercise direct or indirect control over the working conditions of RESTAURANT personnel, except to the extent such indirect control is related to our legitimate interest in protecting the quality of products, services, or the Mountain Mike's Pizza brand. We do not share or codetermine the terms and conditions of employment of RESTAURANT employees or affect matters relating to the employment relationship between you and RESTAURANT employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, you agree to identify yourself conspicuously in all dealings with RESTAURANT personnel as the employer of such personnel and that we, as the franchisor of Mountain Mike's Pizza Restaurants, are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must obtain an acknowledgment (in the form we specify or approve) from all RESTAURANT employees that you (and not we) are their employer.

**B. NO LIABILITY FOR ACTS OF OTHER PARTY.**

You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the RESTAURANT's operation or the business you conduct under this Agreement.

**C. TAXES.**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, employment, income, property, or other taxes, whether levied upon you or the RESTAURANT, due to the business you conduct (except for our own income taxes). You must pay these taxes and reimburse us for any taxes we must pay to any state taxing authority on account of either your operation or payments you make to us (except for our own income taxes).

**D. INDEMNIFICATION.**

(i) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) incurred as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding threatened or brought, by a third party and directly or indirectly arising out of the RESTAURANT's operation; the business you conduct under this Agreement; your noncompliance or alleged noncompliance with any law, ordinance, rule, or regulation, including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or your breach of this Agreement. You also agree to defend the Indemnified Parties (unless an Indemnified Party chooses to defend at your expense, as provided in the following paragraph) against any and all such claims, inquiries, actions, investigations, and proceedings, including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct, and willful wrongful omissions. However, you have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's negligence, willful misconduct, or willful wrongful omissions, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or our failure to compel you to comply with this Agreement.

For purposes of this indemnification and hold harmless obligation, "Losses" include all obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense

costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend and otherwise respond to and address any claim asserted or inquiry made, or action, investigation, or proceeding brought (instead of having you defend it as required above), and, in cooperation with you, agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible (except as provided in the last sentence of the preceding paragraph).

Your obligations in this subparagraph (i) will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this subparagraph (i). You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph (i).

(ii) We agree to indemnify and hold harmless you and your owners, directors, officers, employees, agents, successors, and assignees (the "Franchisee Indemnified Parties") against, and to reimburse any one or more of the Franchisee Indemnified Parties for, all Losses (as defined in subparagraph (i) above), including defense costs incurred in defending any action under subparagraph (i), that you incur as a result of a claim asserted or inquiry made, or a legal action, investigation, or other proceeding brought, by a third party, but only to the extent that a final unappealable ruling issued by a court or arbitrator with competent jurisdiction has determined that an Indemnified Party's negligence, willful misconduct, or willful wrongful omissions in fact occurred and solely and directly caused the Losses that the Franchisee Indemnified Party incurred, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or our failure to compel you to comply with this Agreement. This indemnity and hold harmless will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Franchisee Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against us under this subparagraph (ii). We agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that a Franchisee Indemnified Party may recover from us under this subparagraph (ii).

## 17. **ENFORCEMENT.**

### A. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not

impair the operation of, or have any other effect upon, the other portions of this Agreement that may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement.

If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of the covenant.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required under this Agreement of the termination of this Agreement or of our refusal to enter into a successor franchise agreement, or the taking of some other action not required under this Agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid or unenforceable, the prior notice and/or other action required by the law or rule will be substituted for the comparable provisions hereof, and we will have the right, in our sole discretion, to modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any System Standard, any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order or arbitration award. These modifications to this Agreement will be effective only in that jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

## **B. WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, our right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach thereof to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice at variance with the terms of this Agreement; our or your failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by the other with our and your obligations under this Agreement, including, without limitation, any

System Standard; our waiver, forbearance, delay, failure or omission to exercise any right, power or option, whether of the same, similar or different nature, with other Mountain Mike's Pizza Restaurants; the existence of other franchise agreements for Mountain Mike's Pizza Restaurants which contain different provisions from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will constitute a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove or obliterate any legend or endorsement, which will have no effect.

Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from:

- (1) transportation shortages, inadequate supply of equipment, products, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof;
- (2) acts of God;
- (3) fires, strikes, embargoes, war or riot; or
- (4) any other similar event or cause.

Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties, Marketing Fund contributions or Cooperative contributions due on any sales afterwards.

**C. COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses to enforce our rights or your obligations under this Agreement because you have failed to pay when due 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 all costs and expenses we incur, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Your obligation to reimburse us arises whether or not we begin a formal legal proceeding against you to enforce this Agreement. If we do begin such a formal legal proceeding against you, the reimbursement obligation applies to all costs and expenses we incur preparing for, commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements).

**D. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US.**

You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement. You agree that

all claims will, if not otherwise resolved, be submitted to arbitration as provided in Paragraph F of this Section.

**E. RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy under this Agreement will preclude our or your exercise or enforcement of any other right or remedy under this Agreement which we or you are entitled by law to enforce.

**F. ARBITRATION.**

**ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN US AND OUR AFFILIATES, AND OUR AND THEIR AFFILIATES' RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS AND/OR EMPLOYEES AND YOU (AND/OR YOUR OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) ARISING OUT OF OR RELATED TO:**

**(1) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR YOUR OWNERS) AND US OR ANY PROVISION OF ANY OF THESE AGREEMENTS;**

**(2) OUR RELATIONSHIP WITH YOU;**

**(3) THE SCOPE OR VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR YOUR OWNERS) AND US OR ANY PROVISION OF ANY OF THOSE AGREEMENTS (INCLUDING THE VALIDITY AND SCOPE OF THE ARBITRATION OBLIGATION UNDER THIS SECTION, WHICH WE AND YOU ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT BY A COURT); OR**

**(4) ANY SYSTEM STANDARD RELATING TO THE ESTABLISHMENT OR OPERATION OF THE RESTAURANT;**

**MUST BE SUBMITTED FOR ARBITRATION TO THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATION PROCEEDINGS WILL BE CONDUCTED BY ONE ARBITRATOR AND, EXCEPT AS THIS SUBSECTION OTHERWISE PROVIDES, ACCORDING TO THE AAA'S THEN CURRENT COMMERCIAL ARBITRATION RULES. ALL PROCEEDINGS WILL BE CONDUCTED AT A SUITABLE LOCATION CHOSEN BY THE ARBITRATOR THAT IS WITHIN TEN (10) MILES OF OUR (OR OUR SUCCESSOR'S) THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, IRVINE, CALIFORNIA). THE ARBITRATOR WILL HAVE NO AUTHORITY TO SELECT A DIFFERENT HEARING LOCALE OTHER THAN AS DESCRIBED IN THE PRIOR SENTENCE. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.).**



**THE ARBITRATOR WILL HAVE THE RIGHT TO AWARD OR INCLUDE IN HIS OR HER AWARD ANY RELIEF WHICH HE OR SHE DEEMS PROPER IN THE CIRCUMSTANCES, INCLUDING, WITHOUT LIMITATION, MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM THE DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF, AND ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH SECTION 17.C. ABOVE, PROVIDED THAT THE ARBITRATOR WILL NOT HAVE THE RIGHT TO DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH I OF THIS SECTION, TO AWARD EXEMPLARY, PUNITIVE, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER. THE AWARD AND DECISION OF THE ARBITRATOR WILL BE CONCLUSIVE AND BINDING UPON ALL PARTIES HERETO, AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION.**

**WE AND YOU AGREE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. WE AND YOU FURTHER AGREE THAT, IN CONNECTION WITH ANY ARBITRATION PROCEEDING, EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE WILL BE FOREVER BARRED. THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER YOU OR US. WE RESERVE THE RIGHT, BUT HAVE NO OBLIGATION, TO ADVANCE YOUR SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDING TO TAKE PLACE AND BY DOING SO SHALL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED OUR RIGHT TO SEEK THE RECOVERY OF THESE COSTS IN ACCORDANCE WITH SECTION 17.C. ABOVE.**

**WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS; THAT ONLY WE AND OUR AFFILIATES, AND OUR AND THEIR AFFILIATES' RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS AND/OR EMPLOYEES, AND YOU (AND/OR YOUR OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) MAY BE THE PARTIES TO ANY ARBITRATION PROCEEDING DESCRIBED IN THIS SECTION; AND THAT NO SUCH ARBITRATION PROCEEDING SHALL BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING INVOLVING US AND ANY OTHER PERSON, CORPORATION OR PARTNERSHIP. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 17.F., IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION,**

THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH SECTION 17 OF THIS AGREEMENT (EXCLUDING THIS SECTION 17.F.).

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS PARAGRAPH, WE AND YOU EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION; PROVIDED, HOWEVER, THAT WE AND YOU MUST CONTEMPORANEOUSLY SUBMIT OUR DISPUTE FOR ARBITRATION ON THE MERITS AS PROVIDED IN THIS SECTION.

THE PROVISIONS OF THIS PARAGRAPH ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD PARTY NON-SIGNATORIES AND WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

G. GOVERNING LAW.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT AS REQUIRED HEREBY, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY CALIFORNIA LAW REGULATING FRANCHISE OFFER AND SALE ACTIVITY OR GOVERNING THE FRANCHISOR-FRANCHISEE RELATIONSHIP WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

H. CONSENT TO JURISDICTION.

SUBJECT TO SECTION 17.F. AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US SHALL BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO OUR (OR OUR SUCCESSOR'S) THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, IRVINE, CALIFORNIA), AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION YOU (AND EACH OWNER) MAY HAVE TO EITHER THE JURISDICTION OF OR VENUE IN SUCH COURTS. NOTWITHSTANDING THE FOREGOING, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY

**ARBITRATION ORDERS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE RESTAURANT IS LOCATED.**

**I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

**EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US UNDER SECTION 16.D. AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR RESPECTIVE OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

**WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS). WE AND YOU (AND YOUR OWNERS) ACKNOWLEDGE THAT WE AND YOU (AND THEY) MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THIS WAIVER'S RAMIFICATIONS.**

**J. BINDING EFFECT.**

This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by a written agreement signed by you and us specifying our and your intent to modify this Agreement.

**K. LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us and except for our (and certain of our related parties') right to seek indemnification from you for third-party claims as provided in this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

**L. CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement which, together with the Operations Manual and our other written policies, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or, except as provided in our Franchise Disclosure Document, oral or written representations by us, relating to the subject matter of this Agreement. Nothing in this Agreement or any related agreement is

intended to disclaim our representations in our Franchise Disclosure Document. Any policies that we adopt and implement from time to time are subject to change, are not a part of this Agreement, and are not binding on us. Except as contemplated by Sections 16.D. and 17.F., nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or effected actions that require our approval.

The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, will be deemed to include any of our affiliates with whom you deal. The term “affiliate,” as used herein with respect to you or us, means any person or entity directly or indirectly owned or controlled by, under common control with or owning or controlling you or us. For purposes of this definition, “control” means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the Owner hereunder, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and the RESTAURANT or an interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise or the RESTAURANT and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in the revenue, profits, rights or assets thereof. References to a “controlling interest” in you mean the percent of the voting shares or other voting rights resulting from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you, whether a “controlling interest” is involved must be determined both immediately before and immediately after the proposed transfer to see if a “controlling interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

The term “RESTAURANT” includes all of the assets of the Mountain Mike’s Pizza Restaurant you operate under this Agreement, including its revenue and income and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. **NOTICES AND PAYMENTS.**

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

- (1) at the time delivered by hand;
- (2) at the time delivered via computer transmission and, in the case of the Royalty and Marketing Fund contributions, at the time we actually debit your account;
- (3) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or
- (4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

19. **COMPLIANCE WITH ANTI-TERRORISM LAWS.**

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with all applicable legislation, laws, regulations, rules, ordinances, administrative orders, decrees and policies of any court, arbiter, government, governmental agency, department, or similar organization that are in effect from time to time pertaining to: (a) the various anti-terrorism, economic sanctions, and anti-money laundering and narco-trafficking laws, regulations, orders, decrees and guidelines of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (b) the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended, (c) the provisions of United States Executive Order 13224, (d) the U.S. Prevention of Corruption Act 1988, (e) the U. S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd 2, (e) relevant multilateral measures such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption, (f) bribery and anti-corruption laws, (g) the laws against money laundering, and (h) the laws against facilitating or supporting persons who conspire to commit these and other crimes against any person or government. You immediately shall notify us in writing if a potential violation of any of the foregoing legislation, laws, regulations, rules, ordinances, administrative orders, decrees and/or policies has occurred or is suspected to have occurred. You immediately shall provide us with copies of any communication to or from any such agency, government, or commission that relates to or affects this Agreement, the RESTAURANT, or the Marks. Any failure to comply with this Section by you or your owners, or any blocking of your or your owners' assets under any of such laws, legislation, regulations, orders, decrees and/or policies shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.B (22) above.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement, to be effective as of the date set forth next to our signature below.

**MOUNTAIN MIKE’S PIZZA, LLC**,  
a Delaware limited liability company

**FRANCHISEE**

**(IF CORPORATION, LIMITED  
LIABILITY COMPANY OR  
PARTNERSHIP):**

\_\_\_\_\_  
[Name]

By:\_\_\_\_\_

By:\_\_\_\_\_

Title:\_\_\_\_\_

Its:\_\_\_\_\_

**DATED:**\_\_\_\_\_

**DATED:**\_\_\_\_\_

**(IF INDIVIDUALS):**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name and Date]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name and Date]

**EXHIBIT A**

**TO THE FRANCHISE AGREEMENT  
BETWEEN MOUNTAIN MIKE'S PIZZA, LLC**

**AND**

**DATED \_\_\_\_\_, 202\_**

**Effective Date: This Exhibit A is current and complete  
as of \_\_\_\_\_, 202\_**

**You and Your Owners**

**1. Form of Owner.**

(a) **Proprietorship.** Your owner(s) (is) (are) as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) **Corporation, Limited Liability Company or Partnership.** You were incorporated or formed on \_\_\_\_\_, \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. You have not conducted business under any name other than your corporate, limited liability company or partnership name and \_\_\_\_\_. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

**Name of Each Director/Officer**

**Position(s) Held**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. **Owners.** The following list includes the full name and mailing address of each person who is one of your owners (as defined in the Franchise Agreement) and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<b><u>Owner's Name and Address</u></b>	<b><u>Description of Interest</u></b>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

**MOUNTAIN MIKE'S PIZZA, LLC,**  
a Delaware limited liability company

**FRANCHISEE**

**(IF CORPORATION, LIMITED  
LIABILITY COMPANY OR  
PARTNERSHIP):**

\_\_\_\_\_  
[Name]

By:\_\_\_\_\_

By:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

**DATED:**\_\_\_\_\_

**DATED:**\_\_\_\_\_

**(IF INDIVIDUALS):**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name and Date]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name and Date]



**EXHIBIT B**

**PREMISES AND EXCLUSIVE AREA**

1. The Premises referred to in Section 1.D. of the Franchise Agreement shall be as follows: \_\_\_\_\_.

1. The Exclusive Area referred to in Section 1.D. of the Franchise Agreement shall be as follows: \_\_\_\_\_  
\_\_\_\_\_

If the Exclusive Area is identified by counties or other political subdivisions, political boundaries shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to the boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

**MOUNTAIN MIKE'S PIZZA, LLC,**  
a Delaware limited liability company

**FRANCHISEE**

**(IF CORPORATION, LIMITED  
LIABILITY COMPANY OR  
PARTNERSHIP):**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF INDIVIDUALS):**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name and Date]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name and Date]

## **GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, by \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.  
In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by MOUNTAIN MIKE'S PIZZA, LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that \_\_\_\_\_ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 17, 18, and 19 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or another person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence we may from time to time grant to Franchisee or to another person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any release of other guarantors), none of which will in any way modify or amend this Guaranty, which will continue and be irrevocable during the term of the Agreement (including, without limitation, any extensions of its term) for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners and for so long as we have any cause of action against Franchisee or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) any Franchisee indebtedness to the undersigned, for whatever reason, whether currently existing or hereafter arising, will at all times be inferior and subordinate to any indebtedness owed by Franchisee to us or our affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment

of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations or other limitations period as to or relating to this Guaranty. The undersigned expressly acknowledges that the obligations under this Guaranty survive expiration or termination of the Agreement.

If we seek to enforce this Guaranty in an arbitration, judicial, or other proceeding and prevail in that proceeding, we are entitled to recover our reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with such proceeding. If we are required to engage legal counsel in connection with the undersigned's failure to comply with this Guaranty, the undersigned must reimburse us for any of the above-listed costs and expenses we incur, even if we do not commence a judicial or arbitration proceeding.

Subject to the arbitration obligations (as set forth in the Agreement) and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where we have our principal business address when the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. WE AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY US OR THE UNDERSIGNED. WE AND THE UNDERSIGNED ACKNOWLEDGE THAT WE AND THE UNDERSIGNED MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERATION OF THIS WAIVER'S RAMIFICATIONS.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

**GUARANTOR(S)**

**PERCENTAGE OF OWNERSHIP  
IN FRANCHISEE**

**EXHIBIT B-1**

**VET FRAN INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT**

## VET FRAN INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

**THIS ADDENDUM TO FRANCHISE AGREEMENT** (this “**Addendum**”) is entered into as of \_\_\_\_\_, 202\_\_\_\_, by and between **MOUNTAIN MIKE’S PIZZA, LLC**, a Delaware limited liability company (“**Franchisor**,” “**we**,” “**our**,” or “**us**”), and \_\_\_\_\_ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party**,” or collectively, the “**Parties**.”

### **RECITALS**

WHEREAS, Franchisor has implemented an incentive program available to qualified veterans of the United States military forces under which Franchisor offers qualified franchisees a waiver of the Initial Franchise Fee due under Franchisor’s current form of franchise agreement (the “**Vet Fran Incentive**” or “**Incentive**”);

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated \_\_\_\_\_ the “**Franchise Agreement**”) pursuant to which Franchisee will operate a franchised “Mountain Mike’s Pizza” restaurant located at \_\_\_\_\_ (the “**RESTAURANT**”);

WHEREAS, Franchisee desires to receive the benefits of the Incentive in connection with its operation of the RESTAURANT under the Franchise Agreement; and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “Sections,” “Subsections,” and/or “Exhibits” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.
2. **Qualifications.** You represent, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that: (a) you are, or at least a 51% owner in you is, a veteran of the United States military (you or your owner, as applicable is referred to herein as the “**Veteran**”) and (b) the Veteran has been honorably discharged from the United States military, as evidenced by relevant supporting documentation.

3. **Reduced Fee(s).** Section 3.A shall be revised to reflect that the Initial Franchise Fee is reduced to Fifteen Thousand Dollars (\$15,000), which represents a discount of fifty percent (50%) of the standard amount of the initial franchise fee otherwise due for a new Restaurant.
4. **Additional Condition(s).**
  - a. If, before you open the RESTAURANT, you request and we approve a transfer in accordance with Section 12, then as a pre-closing condition of the transfer (in addition to any transfer fee payable) you must pay us the full standard amount of the initial franchise fee (as measured on the Effective Date of your Franchise Agreement) that was reduced or waived pursuant to this Addendum.
  - b. If you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above in this Addendum, at any point during the Term, then in addition to any other remedies available under the Franchise Agreement (including termination) or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount or value of any fee reduction, discount, or other benefit afforded to you hereunder.
5. **Entire Agreement.** Franchisor and Franchisee each acknowledges that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.
6. **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall be sufficient to bind the Parties.
7. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Addendum on the day and year first above written.

**FRANCHISOR**

MOUNTAIN MIKE'S PIZZA, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE**

\_\_\_\_\_  
If a corporation, partnership, limited  
liability company or other legal entity:

\_\_\_\_\_  
(Name of corporation, partnership,  
limited liability company or other legal  
entity)

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

If individuals:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT B-2**

**STATE ADDENDA TO FRANCHISE AGREEMENT**



**RIDER TO THE MOUNTAIN MIKE’S PIZZA, LLC  
FRANCHISE AGREEMENT  
FOR USE IN CALIFORNIA**

**This Rider** (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between Mountain Mike’s Pizza, LLC, a Delaware limited liability company with its principal business address at 110 Theory, Suite 150, Irvine, CA 92617 (“**we**,” “**us**” “**our**,” or “**Franchisor**”), and \_\_\_\_\_ (“**you**,” “**your**,” or “**Franchisee**”).

1.     **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Restaurant that you will operate under the Franchise Agreement will be located in California; and/or (b) you are a resident of California; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2.     **No Waiver of Disclaimer of Reliance.** The following is added to the end of the Franchise Agreement:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

**FRANCHISEE:**

[INSERT FRANCHISEE ENTITY], a  
[INSERT TYPE OF ENTITY]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

Mountain Mike’s Pizza, LLC, a Delaware  
limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Authorized Signatory

Executed on: \_\_\_\_\_

**RIDER TO THE MOUNTAIN MIKE'S PIZZA, LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN CALIFORNIA**

**This Rider** (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Area Development Agreement (defined below), by and between Mountain Mike’s Pizza, LLC, a Delaware limited liability company with its principal business address at 110 Theory, Suite 150, Irvine, CA 92617 (“we,” “us” “our,” or “**Franchisor**”), and \_\_\_\_\_ (“you,” “your,” or “**Developer**”).

1. **Background.** We and you are parties to that certain Area Development Agreement that has been signed at the same time as the signing of this Rider (the “**Area Development Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the development area under the Area Development Agreement will be located in California; and/or (b) you are a resident of California; and/or (c) any of the offering or sales activity relating to the Area Development Agreement occurred in California.

2. **No Waiver of Disclaimer of Reliance.** The following is added to the end of the Area Development Agreement:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider effective on the Effective Date stated in the Area Development Agreement.

**DEVELOPER:**

**FRANCHISOR:**

[INSERT DEVELOPER ENTITY], a  
[INSERT TYPE OF ENTITY]

Mountain Mike’s Pizza, LLC, a Delaware  
limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Authorized Signatory

Executed on: \_\_\_\_\_

Executed on: \_\_\_\_\_

## WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting,

restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

**FRANCHISEE:**

[INSERT FRANCHISEE ENTITY], a  
[INSERT TYPE OF ENTITY]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

Mountain Mike’s Pizza, LLC, a Delaware  
limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Authorized Signatory

Executed on: \_\_\_\_\_

## WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the development agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting,

restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider effective on the Effective Date stated in the Area Development Agreement.

**DEVELOPER:**

**FRANCHISOR:**

[INSERT DEVELOPER ENTITY],  
[INSERT TYPE OF ENTITY]

a Mountain Mike’s Pizza, LLC, a Delaware  
limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Authorized Signatory

Executed on: \_\_\_\_\_

Executed on: \_\_\_\_\_



**EXHIBIT C**  
**FRANCHISOR LEASE ADDENDUM**

## FRANCHISE ADDENDUM TO LEASE AGREEMENT

**THIS FRANCHISE ADDENDUM TO LEASE AGREEMENT** (this "Addendum") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_, a(n) \_\_\_\_\_ ("Landlord") and \_\_\_\_\_, a(n) \_\_\_\_\_ ("Tenant") for the benefit of Mountain Mike's Pizza, LLC ("Franchisor").

**WHEREAS**, Tenant and Franchisor have executed a Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor has granted Tenant the right to establish and operate a Mountain Mike's Pizza Restaurant at the following location: \_\_\_\_\_ (the "Premises");

**WHEREAS**, Tenant and Landlord are entering into a lease agreement (the "Lease"), pursuant to which Tenant will lease the Premises from Landlord; and

**WHEREAS**, Franchisor has required Tenant to include certain terms in the Lease in order to protect Franchisor's rights, and Landlord has agreed to such terms.

**NOW, THEREFORE**, for good and valuable consideration, the receipt of which the parties hereby acknowledge, Landlord and Tenant agree as follows:

1. Landlord agrees to: (a) make commercially reasonable efforts to furnish to Franchisor a copy of any default notice served on Tenant and/or another lessee under the Lease simultaneously with the service of the notice to Tenant and/or such other lessee; (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the Lease; (c) give Franchisor the opportunity, but Franchisor shall not be required, to cure any default by Tenant or other lessee under the Lease within fifteen (15) days following the expiration of any applicable cure period if Tenant and/or such other lessee fail to cure such default; and (d) to furnish to Franchisor, at Franchisor's request, a copy of any sales or operating information for the Premises provided by Tenant. All notices to Franchisor shall be sent to the following address: Mountain Mike's Pizza, LLC, 110 Theory, Suite 150, Irvine, CA 92617, Attn: Jim Metevier, President and CEO unless Landlord is notified otherwise in writing by Franchisor. No notice to Tenant shall be effective unless and until a copy thereof is served upon Franchisor.

2. Landlord agrees that if Franchisor exercises its right to cure a default by Tenant or upon termination (for any reason) or expiration of the Franchise Agreement, then Franchisor may, at its option, (i) succeed to Tenant's interests under the Lease, (ii) direct the assignment of the Lease to an entity owned or controlled by Franchisor, or (iii) direct the assignment of the Lease to an independent third-party franchisee of Franchisor upon obtaining Landlord's written consent, which consent may not be unreasonably withheld, conditioned or delayed. If Franchisor exercises its right under this Section, Franchisor or its assignee shall be recognized by Landlord as the lessee thereunder for the remaining term of the Lease. No assignment fee shall be required for Franchisor or its affiliate succeeding to Tenant's interest under the Lease. However, any assignment to another franchisee under subsection (iii), above, shall be subject to a transfer or assignment fee if required under the Lease. No assignment of the Lease will be subject to a rent acceleration provision in the Lease.

3. Landlord agrees that, upon expiration or termination of the Franchise Agreement, Franchisor shall have the right to enter the Premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect its franchise system, trademarks, trade names, trade dress and other intellectual property (including, removing any trade fixtures, interior or exterior signs or other items bearing its trademarks) without being guilty of trespass or any other tort or crime, provided that Franchisor will be responsible for the cost of repairing any damage to the Premises as a result of any modifications or alterations. Landlord agrees upon the expiration or termination of the Franchise Agreement to relinquish to Franchisor any and all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor's trademarks, service marks or trade dress.

4 Upon Franchisor's delivery to Landlord and Tenant of its election to exercise its rights under this Addendum, Franchisor (or its designee) shall be entitled to all of Tenant's rights and interests in the Lease, as if Franchisor (or its designee) were the tenant under the Lease, including, by way of example and not limitation, the right to exercise any and all renewal options thereunder, without the need for any further action or instrument.

5. Landlord and Tenant expressly agree that Franchisor is an intended third party beneficiary of the terms of this Addendum. Landlord and Tenant further agree that Franchisor has no liability or obligation under the Lease unless and until Franchisor exercises its right to assume the Lease under this Addendum.

6. In the event of any inconsistency between the terms of this Addendum and the terms of the Lease, the terms of this Addendum control. All of the terms of this Addendum, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns. The provisions of this Addendum may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Addendum that makes specific reference to this Addendum and which must be approved in writing by Franchisor. This Addendum may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

**LANDLORD:**

\_\_\_\_\_,  
,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT D**  
**PRINCIPAL'S AGREEMENT**

**MOUNTAIN MIKE'S PIZZA, LLC**  
**PRINCIPAL'S AGREEMENT**

**THIS PRINCIPAL'S AGREEMENT** (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by and among **MOUNTAIN MIKE'S PIZZA, LLC**, a Delaware limited liability company ("MMP"), and the owners, directors, officers, managers, and/or principals whose names and signatures appear below (collectively, the "Principals" or, individually, a "Principal").

**WITNESSETH:**

**WHEREAS**, MMP has entered into that certain Franchise Agreement dated \_\_\_\_\_, 201\_ (the "Franchise Agreement") with \_\_\_\_\_ (the "Entity"); and

**WHEREAS**, MMP desires to set forth each Principal's respective liabilities and responsibilities.

**NOW, THEREFORE**, in consideration of MMP's entry into the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. The preambles are incorporated by this reference.
2. Each of the undersigned Principals individually agrees that:
  - (a) he or she will be subject to, and comply with, all of the Entity's non-monetary obligations under the Franchise Agreement (including, but not limited to, the provisions of Sections 5, 6, 7, and 15.D. relating to the trademarks, confidential information, and covenants not to compete) as if he or she were the Franchisee under the Franchise Agreement;
  - (b) the liabilities and obligations arising under subsection (a) are independent liabilities and obligations of each Principal and will not be contingent or conditioned upon MMP's pursuit of any remedies against the Entity or any other person under the Franchise Agreement; and
  - (c) the liabilities and obligations arising under subsection (a) are independent liabilities and obligations of each Principal and will not be diminished, relieved or otherwise affected by any extension of time or credit, the acceptance of any partial payment or performance, or the compromise or release of any claims.

Each of the undersigned Principals waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against the Entity arising as a result of the undersigned's execution of and performance under this Agreement.

3. This Agreement will terminate only upon the termination or expiration of the Entity's and Principals' noted obligations under the Franchise Agreement.

4. The provisions of the Franchise Agreement relating to "Enforcement" are incorporated in this Agreement by this reference and will apply fully to each party's obligations and liabilities.

5. Each of the undersigned Principals represents that he or she owns the percentage interest or holds the position in the Entity shown opposite his or her signature below.

6. Each Principal represents that the signatures of all Principals (as defined above) of the Entity appear below or in another original copy of this Agreement (except for those individuals who have signed the Guaranty and Assumption of Obligations attached to the Franchise Agreement) and that the Entity has no other owners, directors, officers, or managers.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date and year first above written.

**MOUNTAIN MIKE'S PIZZA, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

<b>OWNERS:</b> <b>[Name and Signature]</b>	<b>PERCENTAGE</b> <b>OWNERSHIP</b>
_____	/ _____
_____	/ _____
_____	/ _____
_____	/ _____

OFFICERS:	POSITION
[Name and Signature]	
_____	/ _____
_____	/ _____
_____	/ _____
_____	/ _____

DIRECTORS:
[Name and Signature]
_____
_____
_____
_____

OTHER:	POSITION
[Name and Signature]	
_____	/ _____
_____	/ _____
_____	/ _____

**EXHIBIT E**

**AREA DEVELOPMENT AGREEMENT**



**MOUNTAIN MIKE’S PIZZA, LLC**

**AREA DEVELOPMENT AGREEMENT**

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DEVELOPER

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DEVELOPMENT AREA

**MOUNTAIN MIKE’S PIZZA, LLC**  
**AREA DEVELOPMENT AGREEMENT**

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EXHIBIT A – Development Obligations

EXHIBIT B – Developer Ownership Information

OWNERS’ PERSONAL GUARANTY OF DEVELOPER’S OBLIGATIONS

# MOUNTAIN MIKE'S PIZZA, LLC

## AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("Agreement") is made and entered into by and between MOUNTAIN MIKE'S PIZZA, LLC ("Franchisor", "we" or "us"), a Delaware limited liability company and \_\_\_\_\_ ("Developer" or "you"), a(n) \_\_\_\_\_ whose principal address is \_\_\_\_\_, as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

### 1. **INTRODUCTION.**

**1.01 Restaurants.** We and our predecessors have, since 1978, expended considerable time and effort in developing and operating a pizza restaurant concept offering pizza, sandwiches, salads and other food products and services. These restaurants operate under the "Mountain Mike's Pizza®" name ("Mountain Mike's Pizza® Restaurants") and have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which have been, or may be, improved, further developed or otherwise modified from time to time. We have developed and own a comprehensive System (defined below in Section 1.04).

**1.02 Your Acknowledgments.** You have read this Agreement and our Franchise Disclosure Document. You understand the terms of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high quality standards at all Restaurants in order to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the restaurant industry is highly competitive, with constantly changing market conditions. You recognize that the nature of Restaurants may change over time, that an investment in Restaurants involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts and financial resources. You have not received or relied on: (a) any guaranty or assurance, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement; or (b) any promises that any parent company or Affiliate will back us up financially or otherwise guarantee our performance.

**1.03 Your Representations.** You and your Owners, if applicable, represent and warrant to us that: (a) neither you nor any of your Owners have made any untrue statement of any material fact or have omitted to state any material fact in obtaining the rights granted hereunder; (b) neither you nor any of your Owners have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise fully and accurately disclosed in your franchise application submitted to us; and (c) the execution and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have approved your franchise application in reliance on all of the statements you and your Owners have made in connection therewith.

**1.04 Certain Definitions.** The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

**“Affiliate”** – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

**“Restaurants”** –Mountain Mike’s Pizza Restaurants we or any of our Affiliates own, operate or franchise that use the Marks and System.

**“Competitive Business”** – Any business operating, or granting franchises or licenses to others to operate, any restaurant or food service business featuring pizza as a primary product (other than a Mountain Mike’s Pizza Restaurant operated under a franchise agreement with us).

**“Confidential Information”** - Our proprietary and confidential information relating to the development and operation of Restaurants, including: (1) recipes; (2) site selection criteria; (3) training and operations materials, manuals, and software; (4) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Mountain Mike’s Pizza Restaurants; (5) marketing and advertising programs for Mountain Mike’s Pizza Restaurants; (6) knowledge of specifications for and suppliers of certain operating assets and supplies; (7) computer software or similar technology that is proprietary to us, our affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (8) knowledge of the operating results and financial performance of Mountain Mike’s Pizza Restaurants other than the RESTAURANT; (9) graphic designs and related intellectual property; and (10) any and all other information we provide you, your Owners or Affiliates that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential.

**“Franchise Disclosure Document”** – The most recent version of franchise disclosure document for Restaurants that we or our designee delivered to you, your Owners, and/or your authorized representative.

**“Immediate Family”** – Spouse, legally-recognized domestic partners, parents, siblings, and children, whether natural or adopted, including any particular member thereof as may be referenced individually.

“Marks” – All trademarks, service marks, trade dress, and other commercial symbols that we currently authorize, or may in the future authorize, to identify, promote, and operate Restaurants and/or any services or products offered by Restaurants, including our distinctive building design and color scheme.

“Owner” – Each person or entity that has a direct or indirect legal or beneficial ownership interest in you, if you are a business corporation, partnership, limited liability company or other legal entity.

“System” – The business methods, designs and arrangements for developing and operating Restaurants, which include the Marks, building designs and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify at any time and from time to time.

“Transfer the Development Rights” – or similar words – The direct or indirect sale, assignment, transfer, exchange, conversion, license, sublicense, lease, sublease, mortgage, pledge, collateral assignment, grant of a security, collateral or conditional interest or other encumbrance in or on, or other disposition, whether voluntary, involuntary, by operation of law or otherwise, of this Agreement, any interest in or right under this Agreement, any form of legal or beneficial ownership interest in you or any of your Owners, or any form of ownership interest or right to participate in or receive the benefit of the assets, revenues, income or profits of your business operated hereunder, or any one or more other acts or events not covered by the foregoing that we reasonably determine to be a form of direct or indirect transfer, including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, a membership interest in, or a partnership interest in, you or of any interest convertible into or exchangeable for capital stock of, or a membership interest or partnership interest in, you or your Owners; (2) any merger or consolidation between you and another entity, whether or not you are the surviving entity, or any conversion of you from one form of legal entity into another form of legal entity, or any sale, exchange, encumbrance or other disposition of your assets; (3) any transfer in connection with or as a result of a divorce, dissolution of marriage or similar proceeding or a property settlement or legal separation agreement in the context of a divorce, dissolution or marriage or similar proceeding, an insolvency, bankruptcy or assignment for benefit of creditors, a judgment, a corporate, limited liability company or partnership dissolution or otherwise by operation of law; or (4) any transfer by gift, declaration of trust, transfer in trust, revocation of trust, trustee succession, trust termination, discretionary or mandatory trust distribution, occurrence of any event (e.g., death of a person) that affects or ripens the rights of contingent beneficiaries, exercise of a power of appointment, exercise of a withdrawal right, adjudication of you or any Owner as legally disabled, or upon or after your death or the death of any of your Owners by will, disclaimer or the laws of intestate succession or otherwise.

## **2. DEVELOPMENT RIGHTS.**

**2.01 Term and Development Fee.** Unless sooner terminated in accordance with Section 8, the term of this Agreement (the “Term”) starts on the Effective Date and expires on the expiration date set forth in Exhibit A. You have no right to renew or extend your rights under this Agreement. At the time you sign this Agreement, you must pay us a development fee in the amount set forth in Exhibit A. The development fee is non-refundable and shall be deemed earned when paid.

**2.02 Development Rights.** During the Term and provided you and your Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed pursuant to this Agreement), we will: (a) grant to you, in accordance with Section 3, at least that cumulative number of franchises for Restaurants set forth in Exhibit A, all of which are to be located within the geographical area described in Exhibit A (the “Development Area”); and (b) not operate (directly or through an Affiliate), nor grant the right to operate, any “Mountain Mike’s Pizza”-branded restaurants located within the Development Area, except for: (1) franchises granted pursuant to this Agreement; (2) “Mountain Mike’s Pizza”-branded restaurants open (or under commitment to open) as of the Effective Date; (3) “Mountain Mike’s Pizza”-branded restaurants or other restaurants using any part or all of the System and/or Marks at any sites, locations or venues in the Development Area that independently generate customer traffic flow separate from the general customer traffic flow of the surrounding area, or by their nature are not tied to a particular physical location, including, without limitation: military bases, transportation-related venues (e.g., airports, train or bus stations, marinas, travel plazas or toll roads), sports or entertainment venues (e.g., stadiums, arenas, concert halls), major industrial or office complexes, hotels, educational facilities (e.g., school, college, and university campuses), casinos, hospitals and related rehabilitation or healthcare facilities, governmental institutions, amusement or recreational facilities (e.g., theme parks, outdoor municipal parks, zoos, or museums), grocery stores or departments stores, mobile-based channels of distribution (e.g., roving food trucks), any co-branding locations or business endeavors where a restaurant’s operations are inextricably associated with, or such operations are contained within or sharing the same physical building or operational premises as, another business (such as, for example and without limitation, a gas/convenience store or another restaurant concept), and mobile units located temporarily at special events, such as sports or entertainment events; and (4) restaurants that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether such restaurants are converted to operations as “Mountain Mike’s Pizza”-branded restaurants using any of the Marks and/or the System or whether such restaurants operate under other trademarks, service marks or trade dress and/or use other operating systems.

**2.03 Development Obligations.** You agree to exert your best efforts to fully develop the market potential for Restaurants in the Development Area. Without limiting the foregoing, you agree to open and operate in the Development Area, in accordance with and pursuant to Franchise Agreements, those cumulative numbers of Restaurants set forth in Section 3(a) of Exhibit A by the corresponding dates set forth therein and to achieve those cumulative numbers in accordance with the timelines set forth in Section 3(b) of Exhibit A (those dates and timelines collectively referred to herein as the “Development Schedule”). Time is of the essence in this Agreement, and we have

no obligation under any circumstances to extend any of the dates or timelines in the Development Schedule.

**2.04 Reservation of Rights.** Except as expressly provided in this Agreement, we and all of our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System and Restaurants anywhere in the world, and the right to engage in any business whatsoever, including the right to: (a) operate, and grant to others the right to operate, “Mountain Mike’s Pizza”-branded restaurants at such locations and on such terms and conditions as we deem appropriate; (b) sell any products or services under the Marks or under any other trademarks, service marks or trade dress, through alternative channels of distribution, including without limitation, the internet or similar electronic media and supermarkets; (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks pursuant to such terms and conditions as we deem appropriate; and (d) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at “Mountain Mike’s Pizza” branded restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Development Area.

### **3. GRANT OF FRANCHISES.**

**3.01 Site Selection Assistance.** We will furnish you with our standard site selection criteria for Restaurants, as we may establish at any time and from time to time. We also will provide such on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate. If you elect to retain a commercial real estate broker in connection with your site selection activity, then such broker shall be approved by us in our sole judgment in advance.

**3.02 Applications for Franchises.** We will grant franchises to you for the operation of that cumulative number of Restaurants set forth in Exhibit A and located within the Development Area, subject to the following conditions:

(a) You must submit to us, in accordance with procedures we establish from time to time, a complete application for a franchise and site application form for each site for a Restaurant that you propose to develop and operate and that you in good faith believe to conform to our then current standard site selection criteria for Restaurants. Such site application shall include a description of each proposed site, including a summary of traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site;

(b) We will accept or reject each site for which you submit to us complete applications in accordance with Section 3.02(a) and, if we accept such site, we will do so by delivering our standard franchise site package. Our site acceptance letter, duly executed by us, is the exclusive means by which we accept a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site acceptance decision and, if the site is accepted, deliver a site acceptance letter to you, within 30 days after we acknowledge receipt of the complete site report and any other materials we have requested. In deciding whether



to accept or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other restaurants and food establishments (including other Restaurants) and size, condition, configuration, appearance and other physical characteristics of the site. You acknowledge and agree that, if we suggest, approve, or give you information regarding a site, our action is not a representation or warranty of any kind, express or implied, of the site's suitability for a Restaurant or any other purpose. We do not represent that we, or any of our Affiliates, owners, employees or agents, have special expertise in selecting sites. Our action indicates only that we believe that the site meets our then acceptable criteria and not that a Restaurant will be profitable or successful at the site. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we suggest or approve for the location of a Restaurant fails to meet your expectations. Accordingly, you acknowledge and agree that your decision to develop and operate a Restaurant at any site is based solely on your own independent investigation of the suitability of the site for a Restaurant

(c) We also may require that you and your Owners furnish us financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information regarding yourself, your Owners and the development and operation of any Restaurant you propose, as well as any then-existing Restaurants you and your Affiliates own. All such information shall be verified by you and your Owners as being complete and accurate in all respects, shall be submitted to us in accordance with our requirements and will be relied on by us in determining whether to grant a franchise for the proposed Restaurant. We may refuse to grant you a franchise for a Restaurant if you fail to demonstrate sufficient financial and management capabilities to properly develop and operate the proposed Restaurant and the then existing Restaurants you and your Affiliates own. We will evaluate such financial and management capabilities in accordance with standards we use to establish Restaurants in other comparable market areas.

(d) Upon our acceptance of a proposed site, and provided you have demonstrated the requisite financial and management capabilities, all as above required, we will offer you a franchise to operate a Restaurant at the proposed site by delivering to you our then-current form of standard franchise agreement, together with all standard ancillary documents (including exhibits, riders, collateral assignments of leases, Owner guarantees and other related documents) that we then customarily use in granting franchises for the operation of Restaurants in the state in which the Restaurant is to be located (the "Franchise Agreement"). The Franchise Agreement must be executed by you and your Owners and returned to us not earlier than 7 days and not later than 21 days after we deliver it to you, with payment of the initial fees required thereunder. If we do not receive the fully executed Franchise Agreement and payment of the required initial fees, we may revoke our offer to grant you a franchise to operate a Restaurant at the proposed site and may revoke our acceptance of the proposed site.

#### **4. YOUR ORGANIZATION AND MANAGEMENT.**

**4.01 Organizational Documents.** If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Owners represent, warrant and agree that: (a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which the Development Area is located; (b) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (c) true and complete copies of the articles of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control have been delivered to us and all amendments thereto shall be promptly delivered to us; (d) your activities are restricted to those necessary solely for the development, ownership and operation of Restaurants in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (e) the articles of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; and (f) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to such restrictions.

**4.02 Disclosure of Ownership Interests.** You and each of your Owners represent, warrant and agree that Exhibit B is current, complete, and accurate as of the Effective Date. You agree that updated Exhibits B will be furnished to us promptly, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes an Owner must execute an agreement in form as we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement. Each Owner must be an individual acting in his individual capacity, unless we waive this requirement.

#### **5. RELATIONSHIP OF THE PARTIES.**

**5.01 Independent Contractors.** Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence. Franchisor and Developer, as between themselves, are and shall be independent contractors.

We and you acknowledge and agree that this Agreement (and the relationship of the parties which arises from this Agreement) grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests. You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our

franchise network, at the time our decision is made, without regard to: (a) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by us; (b) whether our decision or the action we take promotes our financial or other individual interest; (c) whether our decision or the action we take applies differently to you and one (1) or more other franchisees; or (d) whether our decision or the exercise of our rights is adverse to your individual interests or the individual interests of any other particular franchisees. We will have no liability to you for any such decision or exercise of our rights.

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

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

**5.02 Indemnification.** You agree to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively “indemnitees”), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with (i) your failure to perform or breach of any covenant, agreement, term or provision of this Agreement, (ii) your breach of any representation or warranty contained in this Agreement, and (iii) any allegedly unauthorized service or act rendered or performed in connection with this Agreement, (collectively “event”) and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees. The foregoing indemnity shall apply even if it is determined that the indemnitees’ negligence caused such loss, liability or expense, in whole or in part, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). The term “losses and expenses” includes compensatory, exemplary, and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required, and we may elect (but are not obligated) to direct the defense thereof, including appropriate counsel at our sole determination. We may, in our

reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Restaurants generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreements agrees to undertake the defense of an event (an “Insured Event”), we agree not to exercise our right to select counsel to defend the event if such would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

**5.03 Marks.** You acknowledge that we own the Marks and that you are not granted the right under this Agreement to use the Marks. Your right to use the Marks arises solely from Franchise Agreements entered into between you and us. You may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or in any other manner (including as an electronic media identifier, such as a web site, web page, or domain name) not explicitly authorized in writing by us.

## **6. RESTRICTIVE COVENANTS.**

**6.01 Confidential Information.** We will disclose parts of our Confidential Information solely for your use in the operation of the business contemplated by this agreement. The Confidential Information is proprietary and includes our trade secrets. During and after the Term: (a) you may not use the Confidential Information in any other business or capacity (as you hereby acknowledge that such prohibited use would be an unfair method of competition); (b) you must exert your best efforts to maintain the confidentiality of the Confidential Information, regardless of its format or medium of transmission to you; (c) you may not make unauthorized copies of any portion of the Confidential Information; and (d) you must implement all commercially reasonable procedures we prescribe at any time and from time to time to prevent unauthorized use or disclosure of the Confidential Information, including requiring your managers and assistant managers, and any other of your personnel who attends training or who has the ability to access our Confidential Information, to sign nondisclosure agreements in a form we prescribe or approve and delivering those agreements to us.

**6.02 In-Term Covenants.** You acknowledge that we have granted you the franchise in consideration of, and reliance upon, your agreement to deal exclusively with us. You therefore agree that, during the Term and any successor franchise term, neither you, any of your Owners, nor any of your or your Owners’ Immediate Family will (without our prior consent, which consent we may condition or withhold for any or no reason):

(a) have any direct or indirect controlling or non-controlling ownership interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of any “Mountain Mike’s Pizza”-branded restaurant to a Competitive Business; or

(d) engage in any other activity which, in our sole opinion, might be injurious or prejudicial to the goodwill associated with the Marks or the System.

**6.03 Procurement of Additional Covenants.** You agree to require and obtain the execution of a non-disclosure and non-competition agreement, as we may require at our sole discretion, from all of the following persons:

(a) Before employment or any promotion, your Operating Partner; and,

(b) If you are a business entity, all Owners with at least a ten percent (10%) direct or indirect legal or beneficial ownership interest in you; all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Nondisclosure and Non-Competition Agreements no later than ten (10) days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten (10) days after such individual or entity’s attains such status) and shall furnish to us copies of all executed Nondisclosure and Non-Competition Agreements within ten (10) days following their execution.

## **7. DEVELOPER’S RIGHT TO TRANSFER.**

**7.01 Franchisor’s Approval.** Your rights and duties under this Agreement are personal to you and if you are a business corporation, partnership, limited liability company or any other legal entity, your Owners. Accordingly, neither you nor any of your Owners may Transfer the Development Rights without our prior approval and without complying with the terms and conditions of Section 7. Any transfer without such approval or compliance constitutes a breach of this Agreement and is void and of no force or effect.

**7.02 Conditions for Approval.** If we have not exercised our right of first refusal under Section 7.06, we will not unreasonably withhold our approval of a Transfer of the Development Rights that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor(s) and/or the transferee(s), including the following:

(a) You and your Owners and Affiliates must be in compliance with the provisions of this Agreement and all Franchise Agreements executed pursuant hereto;

(b) at the time of the proposed Transfer, you have opened and continue to operate at least one (1) Restaurant;

(c) the proposed transferee and its owners (if the proposed transferee is a corporation, partnership, limited liability company or other legal entity) must provide us on a timely basis all

information we request, and must be individuals acting in their individual capacities who are of good character and reputation, who must have sufficient business and development experience, aptitude and financial resources to develop Restaurants pursuant to this Agreement, and who must otherwise meet our approval;

(d) the proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(e) the transferee and its owners must agree to be bound by all of the provisions of this Agreement for the remainder of its term;

(f) the transferee must acquire, in a concurrent transaction, all of your rights and the rights of your Owners and Affiliates under all franchise agreements for Restaurants executed by your or your Owners or Affiliates pursuant to this Agreement or pursuant to any other development or similar agreement with us;

(g) You or the transferee must pay us a transfer fee equal to \$20,000;

(h) You and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to us, of any and all claims against us, our Affiliates and stockholders, officers, directors, employees, agents, successors and assigns;

(i) you (and your Immediate Family) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 9.02 below; and

(j) You and your Owners and Affiliates must execute such other documents and do such other things as we reasonably require to protect our rights under this Agreement and any Franchise Agreements.

**7.03 Effect of Approval.** Our approval of a transfer of the Development Rights does not constitute: (a) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects of success by the transferee; or (b) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's exact compliance with this Agreement. Any approval shall apply only to the specific transfer of the Development Rights being proposed and shall not constitute our approval of, or have any bearing on, any other proposed transfer of the Development Rights.

**7.04 Special Transfers.** Neither Section 7.06 nor Section 7.2(f) apply to any transfer of the Development Rights among any of your then current Owners or to any transfer of the Development Rights to any member of your Immediate Family or the immediate family of a then current Owner of Developer (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may transfer this Agreement, in conjunction with a transfer of all of the Franchise Agreements executed

pursuant hereto and all of the assets of the Restaurants operated pursuant thereto, by an agreement in form and substance approved by us, to a business corporation or limited liability company which conducts no business other than the development and operation of Restaurants and of which you own and control all of the equity and voting power of all issued and outstanding capital stock. None of the foregoing assignments shall relieve you or your Owners of your obligations hereunder, and you and your Owners shall remain jointly and severally liable for all obligations hereunder.

**7.05 Death or Disability.** Upon your death or permanent disability or an Owner of a controlling interest in Developer, the executor, administrator, or other personal representative of such person shall transfer his interest in this Agreement or his interest in Developer to a third party approved by us in accordance with all of the applicable provisions of Section 7 within a reasonable period of time, not to exceed 9 months from the date of death or permanent disability.

**7.06 Franchisor's Right of First Refusal.** If you or any of your Owners desires to transfer the Development Rights for legal consideration, you or such Owner(s) must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least 5% of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to us a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under development and franchise agreements for Restaurants) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the transfer of the Development Rights must reflect the bona fide price offered therefor and not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you and your Owners within 30 days from the date of delivery of a complete and accurate copy of such offer to us, to purchase such interest in this Agreement or in Developer for the price and on the terms and conditions contained in such offer, provided that: (a) we may substitute cash for any form of payment proposed in such offer; (b) our credit shall be deemed equal to the credit of any proposed purchaser; and (c) we shall have not less than 90 days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of the right of first refusal. We may conduct such investigation and analysis in any manner we deem reasonably appropriate, and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we will be entitled to purchase such interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as we may reasonably require. If we do not exercise our option to purchase, you or your Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Sections 7.01 and 7.02, provided that if the sale to such offeror is not completed within 90 days after delivery of such offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth

herein) during the 30 day period following your notification of the expiration of the 90 day period or a material change to the terms of the offer.

**7.07 Securities Offerings.** Neither you nor any of your Owners shall issue or sell, or offer to issue or sell, any of your securities or any securities of any of your Affiliates, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates. Under no circumstances may you or any of its Owners issue or sell your securities or any securities of any of your Affiliates if: (a) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (b) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

## **8. TERMINATION OF THE AGREEMENT.**

**8.01 Immediate Termination.** You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if you become insolvent by reason of your inability to pay your debts as they mature; if you are adjudicated bankrupt or insolvent; if you file a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States or have such a petition filed against you which is not discharged within 30 days; if a receiver or other custodian, permanent or temporary, is appointed for your business, assets, or property; if you request the appointment of a receiver or make a general assignment for the benefit of creditors; if a final judgment against you in the amount of \$25,000 or more remains unsatisfied of record for 30 days or longer; if your bank accounts, property or accounts receivable are attached; if execution is levied against your business or property; if suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within 30 days; if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within 30 days; or if your assets, property or interests are “blocked” under any law or regulation relating to terrorist activities or if you are otherwise in violation of any such law or regulation.

**8.02 Termination Upon Notice.** In addition to our right to terminate pursuant to other provisions of this Agreement or under applicable law, we may terminate this Agreement, effective upon delivery of notice of termination to you:

- (a) if you fail to meet any part of the Development Schedule;
- (b) if you or any of your Owners or Affiliates make an unauthorized transfer of the Development Rights;
- (c) if you or any of your Owners or Affiliates make any material misstatement or omission in the application for the development rights conferred by this Agreement or in any other information provided to us, or are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the goodwill associated with the Marks;



(d) if you or any of your Owners or Affiliates make any unauthorized use or disclosure of the Confidential Information;

(e) if you or any of your Owners or Affiliates fail to comply with any other provision of this Agreement and do not correct such failure within 30 days after written notice of such failure to comply is delivered to you;

(f) if you or any of your Owners or Affiliates are in breach of any Franchise Agreement or other agreement with us or our Affiliates such that we or our Affiliates have the right to terminate the Franchise Agreement or such other agreement, whether or not we or they elect to exercise such right of termination; or

(g) if we determine that any applicable federal or state legislation, regulation or rule, which is enacted, promulgated or amended after the Effective Date, may have an adverse effect on our rights, remedies or discretion in franchising Restaurants.

We have no obligation whatsoever to refund any portion of the development fee upon any termination, except that we will refund the unapplied portion of the development fee paid pursuant to Section 2.01 in the event of a termination pursuant to Section 8.02(g).

**8.03 Cross-Default.** Any default or breach by you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) of any other agreement with us or our Affiliate will be considered an event of default under this Agreement, and any default or breach by you (or any of your Owners) of this Agreement will be considered an event of default or breach by you under any and all agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then we or our Affiliate will have the right to terminate all other agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) in accordance with the termination provisions of this Agreement.

## **9. EFFECT OF TERMINATION AND EXPIRATION.**

**9.01 Continuing Obligations.** All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

**9.02 Post-Term Covenants.** For a period of 2 years, starting on the effective date of termination or expiration (without renewal or extension of the Term) of this Agreement, you are prohibited from directly or indirectly (such as through an Immediate Family member) owning a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within the Development Area; (b) any Competitive Business operating within a radius of three (3) miles of any "Mountain Mike's Pizza"-branded restaurant in operation or under construction on the effective date of termination or expiration; or (c) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business. You

acknowledge that we have a protectable legal interest in the System, customers of Restaurants and the goodwill associated with the Marks and that the non-competition covenants contained in this Section and Section 6.02 are necessary elements to their protection and are an integral part of this Agreement. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and other opportunities for exploiting such skills, so that enforcement of the covenants contained in this Section will not deprive you of your personal goodwill or ability to earn a living. If you fail or refuse to abide by any of the foregoing covenants, and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it, and will continue in effect for a period of 2 years after the date of order enforcing the covenant.

## **10. MISCELLANEOUS.**

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

If any applicable law requires a greater prior notice of the termination than is required hereunder, a different standard of “good cause” to terminate this Agreement or the taking of some other action not required hereunder, the prior notice, the “good cause” standard and/or the other action required by such law shall be substituted for the comparable provisions hereof.

**10.02 Waiver of Obligations.** We and you may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of 10 days’ prior written notice. You and we shall not be deemed to have waived any right reserved by this Agreement or be deemed to have modified this Agreement by virtue of any custom or practice of the parties at variance with it.

**10.03 Exercise of Rights of Parties.** The rights of Franchisor and Developer hereunder are cumulative and no exercise or enforcement by Franchisor or Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Developer of any other right or remedy hereunder which Franchisor or Developer is entitled to enforce by law. If Developer commits any act of default under this Agreement for which Franchisor exercises its right to terminate this Agreement, Developer shall pay to Franchisor all actual, consequential, special and incidental damages Franchisor incurs as a result of the premature termination of this Agreement regardless of whether or not such damages are reasonably foreseeable. Developer acknowledges and agrees that the proximate cause of such damages sustained by Franchisor is Developer’s act of default and not Franchisor’s exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with

this Agreement, shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within 12 months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

**10.04 Costs of Enforcement.** If we file a claim in a judicial or arbitration proceeding for amounts you or any of your Owners owe us or any of our Affiliates, or if we enforce this Agreement in a judicial or arbitration proceeding, and we prevail in any such proceeding, you agree to reimburse us for all of our costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees. If we are required to engage legal counsel in connection with your failure to comply with this Agreement, you must reimburse us for any attorneys' fees, costs and expenses we incur.

**10.05 Injunctive Relief.** We, as an alternative or supplement to arbitration pursuant to Section 10.06, may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may seek and obtain such injunctive relief, without bond, but upon notice as required under applicable rules, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). You and each of your Owners acknowledge that any violation of Sections 6, 7.02(i) or 9.02 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent and agree to the issuance of an injunction prohibiting any conduct in violation of any of those sections and agrees that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

**10.06 Arbitration.** Subject to Section 10.05, all controversies, disputes, or claims between us or any of our Affiliates, or any of their respective officers, directors, agents, employees and attorneys and you, any of your Affiliates or any of their respective Owners, arising from or relating, directly or indirectly, to (i) this Agreement or any other agreement between you and us or your or our respective Affiliates, (ii) the scope and validity of any provision of this Agreement or any other agreement between you and us or any provision of such agreements (including the validity of the arbitration obligations under this Section 10.06, which the parties acknowledge is to be determined by an arbitrator and not a court); (iii) our relationship with you, including, without limitation, your application to become a franchisee and/or to acquire the right to operate an additional Restaurant, our decision to award a franchise, approve a site or any other matter related to your franchise application or site selection process for the Restaurants you develop under this Agreement or for an additional Restaurant; or (iv) any of our specifications and standards, shall on demand of either party be submitted for arbitration to the offices of the American Arbitration Association ("AAA") located closest to our corporate headquarters at the time of such demand. The arbitration shall be governed exclusively by the United States Federal Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The

parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedures) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be waived and such party will forever be barred from asserting such a claim. Settlement discussions occurring between the parties in relation to any dispute falling within the scope of this Section 10.06 shall be protected by Federal Rule of Evidence 408 and all other applicable rules limiting and/or precluding disclosure. The parties further agree that unless otherwise agreed in writing, neither side shall be permitted to disclose any settlement discussions to the arbitrators for any reason and that the arbitrators may not consider any settlement discussions or offers that might have been made by either you or us prior to commencing the arbitration proceeding. The arbitration proceedings shall be conducted in the city closest to our principal place of business and shall be conducted in accordance with the then-current commercial arbitration rules of the AAA, except as modified by this Agreement. The parties shall be entitled to limited discovery at the discretion of the arbitrators but in no event shall the arbitrators order the taking of depositions without the parties' prior agreement. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration shall be conducted by three arbitrators. Each party shall select an arbitrator within fifteen (15) days of commencement of the arbitration who shall serve as party arbitrators. The two designated party arbitrators shall select a neutral arbitrator with twenty (20) days of their selection. If the two party arbitrators cannot agree on a third arbitrator within twenty (20) days of their appointment, the AAA shall select a third arbitrator in accordance with the terms of this Agreement. The parties further agree that the arbitration proceedings shall be commenced and conducted on an individual basis only and not on a multi-plaintiff, consolidated or class-wide basis, that the arbitrators have no authority to conduct any such multi-plaintiff, consolidated, or class-wide proceedings under this Section 10.06, and that each side expressly waives any ability or right to initiate or assert any such multi-plaintiff, consolidated, or class-wide claims in connection with any arbitration proceeding. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom, notwithstanding Section 10.01 of this Agreement. If such sentence is determined to be invalid or unenforceable under applicable law in connection with a particular controversy, dispute, or claim, then the entire first paragraph of Section 10.06 shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim. The arbitrators shall have the right to award individual relief which he or she deems proper under the evidence presented and applicable law and consistent with the parties' rights to, and limitations on, damages and other relief as expressly set forth in this Agreement, including without limitation, Sections 10.03, 10.04 and 10.10. The award and decision of the arbitrators shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act. We reserve the right, but have no obligation, to advance your share of the costs, fees and expenses of any arbitration proceeding, including any arbitrator fees, in order for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those amounts from the arbitrators, who shall provide for such relief in the final award, in addition to the costs, fees, and expenses that are recoverable under Section 10.04 above. The provisions of this Section 10.06 shall continue in

full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

**10.07 Jurisdiction and Venue.** SUBJECT TO SECTION 10.06 ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS IRREVOCABLY AGREE THAT: (A) ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT CORPORATE HEADQUARTERS (CURRENTLY IRVINE, CALIFORNIA); AND (B) ANY SUCH MATTER SHALL BE TRIED BY AND TO THE COURT SITTING WITHOUT A JURY, AND YOU WAIVE ANY RIGHT TO A JURY TRIAL. YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT YOU MAY LAWFULLY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT, ACTION OR PROCEEDING, AND AGREE THAT SERVICE OF PROCESS FOR PURPOSES OF ANY SUCH SUIT, ACTION OR PROCEEDING NEED NOT BE PERSONALLY SERVED OR SERVED WITHIN THE STATE OF CALIFORNIA, BUT MAY BE SERVED WITH THE SAME EFFECT AS IF YOU WERE SERVED WITHIN THE STATE OF CALIFORNIA, BY CERTIFIED MAIL OR ANY OTHER MEANS PERMITTED BY LAW ADDRESSED TO YOU AT THE ADDRESS SET FORTH HEREIN. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE DEVELOPER BUSINESS IS LOCATED.

**10.08 Governing Law.** This Agreement and any dispute, claim, or matter arising out of or relating in any way to the relationship between the parties (whether based in contract, tort, statute or otherwise and regardless of the relief sought) shall be construed under the laws of the State of California, provided the foregoing shall not constitute a waiver of your rights under any applicable franchise law of another state that does not conflict with California law. In the event of any conflict of law, California law will prevail, without regard to the application of California conflict of law principles. However, if any provision of this Agreement would not be enforceable under California law, and if the Development Area is predominantly located outside of California and such provision would be enforceable under the laws of the state in which the Development Area is predominantly located, then such provision shall be construed under the laws of that state. Nothing in this Section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of California to which it otherwise would not be subject.

**10.09 Successors and Assigns.** This agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This agreement is fully transferable by us, whether by operation of law or otherwise, and shall inure to the benefit of any transferee or other legal successor to our interest herein.

**10.10 Limitations on Damages.** EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 5.02, AND EXCEPT WITH RESPECT TO THE CONFIDENTIAL INFORMATION IN SECTION 6.01, FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) EACH WAIVES, TO THE

FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND EACH OF YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO RECOVER CONSEQUENTIAL, SPECIAL AND INCIDENTAL DAMAGES FOR ANY CLAIM DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT.

You agree that, for our System to function properly, we should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between you (and your Owners) and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to proceed against us or any of our shareholders, members, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

**10.11 Construction.** The language of this Agreement shall be construed according to its fair meaning and not strictly for or against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements between us and you relating to the subject matter of this Agreement that either party may or does rely on or that will have any force or effect, except that nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our most recent Franchise Disclosure Document (including that document's exhibits and amendments) delivered to you or your representative. Nothing in this Agreement is intended or shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties.

The headings of the sections are for convenience only and do not limit or construe their contents. The term "including" shall be construed to include the words "without limitation." The term "Developer" or "you" is applicable to one or more persons, a business corporation, limited liability company or a partnership and its owners, as the case may be. If two or more persons are at any time Developer hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent (50%) of the equity and voting control of such entity.

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

**10.12 Approvals and Consents.** In all cases where our prior consent or acceptance is required and no other method or timing for obtaining such consent or acceptance is prescribed, you must request such consent or acceptance in writing, and we will notify you of our decision within 60 days after receiving your written request and all supporting documentation. Whenever our

consent or acceptance is required hereunder, such consent or acceptance must be in writing. If we do not respond in writing to your request within such 60-day period, the request shall be deemed denied. Our consent to or acceptance of any request by you shall be effective only to the extent specifically stated and shall not be deemed to waive or render unnecessary our consent or acceptance of any subsequent similar request. Except where this Agreement expressly obligates us to reasonably accept or consent to (or not to unreasonably withhold our acceptance or consent regarding) any action or request by you, we have the absolute right for any reason or no reason to withhold our acceptance of or consent to any action by you.

**10.13 Notices and Payments.** All notices, requests and reports permitted or required to be made by the provisions of this Agreement shall be in writing and shall be deemed delivered: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the same date of the transmission by facsimile or other reasonably reliable electronic communication system; (c) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) 5 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Such notices, requests and reports shall be sent to the addresses identified in this Agreement unless and until a different address has been designated by appropriate written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us, and our acceptance of any such payment shall not constitute an accord and satisfaction.

**10.14 Developer's Release.** To the full extent permitted by applicable law, Developer, for itself and on behalf of its Affiliates, and their respective shareholders, directors, officers, limited liability company members, managers and employees, and their respective successors and assigns, and on behalf of Developer's Owners, hereby (i) releases and forever discharges Franchisor and its Affiliates, and their respective directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, from any and all claims, demands and causes of action, whether known or unknown, of any kind or nature, absolute or contingent, if any at law or in equity, arising prior to or on the date you sign this Agreement, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against Franchisor or its affiliates and their directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, directly or indirectly, relating to any claim or demand released under this Section 10.14. Developer shall take whatever actions are necessary or appropriate to carry out the terms of this release and covenant not to sue upon Franchisor's request. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our Franchise Disclosure Document (including any of that document's exhibits and amendments) delivered to you, your Owners, Affiliates or representatives. This Section 10.14 shall survive the expiration or termination of this Agreement.

**10.15 Electronic Signatures.** The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this

Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an “I Accept” or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

**10.16 Receipt of Disclosure Document and Agreement.** You acknowledge having received our Franchise Disclosure Document and this Agreement, with all blanks completed, within the time periods required by applicable law.



**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the day and year first above written.

**FRANCHISOR**

**MOUNTAIN MIKE'S PIZZA, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DEVELOPER**

\_\_\_\_\_  
If a corporation, partnership, limited liability company or other legal entity:

\_\_\_\_\_  
(Name of corporation, partnership, limited company or other legal entity)

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

If individuals:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT A  
TO THE AREA DEVELOPMENT AGREEMENT**

1. The Term expires on \_\_\_\_\_, \_\_\_\_.
2. The Development Area is the geographical area described as follows:

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Political boundaries described above shall be considered fixed as of the Effective Date and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

3. (a) You must open the number of new Restaurants, and have in operation the cumulative number of Restaurants, set forth below as of each of the corresponding dates:

<u>Date</u>	<u>Number of New Restaurants to be Opened</u>	<u>Cumulative Number of Restaurants In Operation</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) For each Restaurant to be opened pursuant to the second column in Section 3(a), above, the following table sets forth: (i) the timelines by which you must acquire, lease, or sublease a site ("Property Control") for the Restaurant (the "Property Control Date"), the date by which you must begin construction (if applicable) (the "Construction Start Date"), and the date by which the Restaurant must be opened; and (ii) the amount of initial franchise fee, if those timelines are met.

<u>Restaurant</u>	<u>Property Control Date</u>	<u>Construction Start Date</u>	<u>Opening Date</u>	<u>Amount of Initial Franchise Fee (\$)</u>

If (i) you fail to meet any of the timelines listed in the chart of Section 3(b), (ii) you fail to maintain Property Control after the Property Control Date, or (iii) you or any of your affiliates are in breach of any term or condition under this Agreement or any other agreements with us, the initial franchise fee for that particular Restaurant as well as all subsequent Restaurants to be developed hereunder will, without notice to you automatically readjust to the standard amount of \$30,000 (regardless of the initial franchise fee amount listed in the Section 3(b) chart). For the avoidance of doubt, the standard amount of initial franchise fee reduction in the chart of Section 3(b), above, will not apply to any Franchise Agreement entered into in connection with a renewal or transfer of a Restaurant.

4. For purposes of the chart in Section 3(a), above, a Restaurant that is permanently closed after having been opened, other than as a result of noncompliance by you with the terms of the applicable Franchise Agreement, shall be deemed open for a period of 6 months after the last day it was open for business, provided that: (i) during such period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Restaurant within the Development Area pursuant to a new Franchise Agreement therefor; and (ii) by the end of such period you have the substitute Restaurant open and operating in compliance with the Franchise Agreement therefor.

5. The development fee shall be a total of \_\_\_\_\_ (the “Development Fee”), which equals (a) a deposit of [Fifteen Thousand Dollars (\$15,000)/ of Seven Thousand Five Hundred Dollars (\$7,500)] for the initial franchise fee due under the franchise agreement, plus (b) a deposit of [Seven Thousand Five Hundred Dollars (\$7,500)/ Three Thousand Seven Hundred Fifty Hundred Dollars (\$3,750)] for the second [and each additional] Restaurant you agree to develop under the Development Schedule, [plus (c) a deposit of Three Thousand Seven Hundred Fifty Hundred Dollars (\$3,750) for the third Restaurant and each additional Restaurant you agree to develop under the Development Schedule]. Our initial franchise fee for the first Restaurant you develop pursuant to this Agreement is [Thirty Thousand Dollars (\$30,000)/ Fifteen Thousand Dollars (\$15,000)], [and] the initial franchise fee for the second [and each additional] Restaurant you develop pursuant to this Agreement is [Fifteen Thousand Dollars (\$15,000)/ Seven Thousand Five Hundred Dollars (\$7,500)], [and the initial franchise fee for the third Restaurant and each additional Restaurant you develop pursuant to this Agreement is Seven Thousand Five Hundred Dollars (\$7,500)].

The Development Fee is consideration for the rights we grant you in this Agree and for reserving the Development Area for you to the exclusion of others, is fully earned by us when we and you sign

this Agreement, and is not refundable under any circumstances, even if you do not comply or attempt to comply with the Development Schedule and we then terminate this Agreement for that reason.

While the Development Fee is not refundable under any circumstances, when you (or your approved wholly-owned, affiliated entity) sign the franchise agreement for each Restaurant to be developed, we will apply [Fifteen Thousand Five Hundred Dollars (\$15,000)/Seven Thousand Five Hundred Dollars (\$7,500)] of the Development Fee, if the franchise agreement is for the first Restaurant you develop pursuant to this Agreement, [or] [Seven Thousand Five Hundred Dollars (\$7,500) of the Development Fee/Three Thousand Seven Hundred Fifty Hundred Dollars (\$3,750)], if the franchise agreement is for the second [or any additional] Restaurant you develop pursuant to this Agreement, [or Three Thousand Seven Hundred Fifty Hundred Dollars (\$3,750) of the Development Fee, if the franchise agreement is for the third or any additional Restaurant you develop pursuant to this Agreement], towards the initial franchise fee due for that Restaurant towards the initial franchise fee due for that Restaurant (leaving a balance due of [Fifteen Thousand Five Hundred Dollars (\$15,000), Seven Thousand Five Hundred Dollars (\$7,500), or Three Thousand Seven Hundred Fifty Dollars (\$3,750) whichever is applicable]).

**[SIGNATURE PAGE FOLLOWS]**

**FRANCHISOR:**

**MOUNTAIN MIKE'S PIZZA, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\*Effective Date: \_\_\_\_\_

**DEVELOPER:**

If a corporation, partnership, limited liability company, or other legal entity

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity)

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

If individuals:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT B  
TO THE AREA DEVELOPMENT AGREEMENT**

1. Form of Entity of Area Franchise.

(a) Corporation or Limited Liability Company. Developer was incorporated on \_\_\_\_\_, \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. It has not conducted business under any name other than its corporate name. The following is a list of all of Developer's directors and officers as of \_\_\_\_\_, \_\_\_\_\_.

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) Partnership. Developer is a [general] [limited] partnership formed on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. It has not conducted business under any name other than its partnership name. The following is a list of all of Developer's general partners as of \_\_, \_\_\_\_\_.

Name of each General Partner

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Owners. Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Developer, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Developer. Developer, and each Owner as to his ownership interest in Developer, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

<u>Owner's Name and Address</u>	<u>Description of Interest</u>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

**[SIGNATURE PAGE FOLLOWS]**

Accepted by Franchisor and  
made a part of the  
Development Agreement as of  
\_\_\_\_\_, \_\_\_\_.

**MOUNTAIN MIKE'S PIZZA, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Submitted by Developer  
on \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
(Name of corporation, limited liability  
company or partnership)

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Owners:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)



## **OWNERS' PERSONAL GUARANTY OF DEVELOPER'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the Area Development Agreement dated as of \_\_\_\_\_, \_\_\_\_ (the "Agreement") by and between MOUNTAIN MIKE'S PIZZA, LLC ("Franchisor"), and \_\_\_\_\_ ("Developer"), each of the undersigned Owners of an interest in Developer hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Developer made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by each and every provision in the Agreement (and any amendments) and to be personally liable for his or her breach thereof, including without limitation, Sections 4, 5, 6, 7, 9 and 10 (for the avoidance of doubt, including Section 10.06) thereof.

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

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

**[SIGNATURE PAGE FOLLOWS]**

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

**PERCENTAGE OF OWNERSHIP  
INTERESTS IN DEVELOPER**

**GUARANTOR(S)**

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

DATE: \_\_\_\_\_, \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**EXHIBIT F**

**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

## **STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

### **CALIFORNIA**

Commissioner of the Department of  
Financial Protection and Innovation:  
Toll Free: 1 (866) 275-2677

#### ***Los Angeles***

Suite 750  
320 West 4th Street  
Los Angeles, California 90013-2344  
(213) 576-7500

#### ***Sacramento***

651 Bannon Street, Suite 300  
Sacramento, California 95811-4052  
(916) 445-7205

#### ***San Diego***

1350 Front Street, Rm. 2034  
San Diego, California 92101-3697  
(619) 525-4233

#### ***San Francisco***

One Sansome Street, Suite 600  
San Francisco, California 94105-2980  
(415) 972-8559

### **HAWAII**

(for service of process)

Commissioner of Securities Business  
Registration Division Department of  
Commerce and Consumer Affairs  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

(for other matters)

Commissioner of Securities  
Business Registration Division  
Department of Commerce and  
Consumer Affairs  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

### **ILLINOIS**

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

## **INDIANA**

for service of process)

Indiana Secretary of State 201 State  
House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

(state agency)

Indiana Secretary of State Securities  
Division Room E-111  
302 West Washington Street  
Indianapolis, IN 46204  
(317)232-6681

## **MARYLAND**

(state agency)

Office of the Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(for service of process)

Maryland Securities Commissioner at  
the Office of Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

## **MICHIGAN**

Corporations Division Franchise  
P.O. Box 30054 Lansing, MI 48909  
(517) 373-7117

## **MINNESOTA**

Commissioner of Commerce  
Department of Commerce  
85 7th Place East, Suite 500  
St. Paul, Minnesota 55101  
(651) 539-1500

## **NEW YORK**

(Administrator)

Office of the New York State Attorney  
General Investor Protection Bureau  
Franchise Section  
28 Liberty Street  
New York, NY 10005  
(212) 416-8236  
(Phone)  
(212) 416-6042 (Fax)

(Agent for Service)

Attention: New York Secretary  
of State New York Department  
of State  
One Commerce Plaza,  
99 Washington Avenue, 6<sup>th</sup>  
Floor Albany, NY 12231-0001  
(518) 473-2492

## **NORTH DAKOTA**

(state agency)

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol Fifth Floor Dept  
414 Bismarck, North Dakota  
58505-0510 (701) 328-4712

(for service of process)

Securities Commissioner  
600 East Boulevard Avenue State  
Capitol Fifth Floor Dept 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

**OREGON**

Oregon Division of Finance and  
Corporate Securities  
350 Winter Street NE, Room 410  
Salem, Oregon 97301-3881  
(503) 378-438

**RHODE ISLAND**

Securities Division  
Department of Business Regulations  
1511 Pontiac Avenue  
John O. Pastore Complex-Building 69-  
1 Cranston, RI 02920  
(401) 462-9500

**SOUTH DAKOTA**

Division of Securities  
Department of Labor and Regulation  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-4823

**VIRGINIA**

(for service of process)

Clerk, State Corporation Commission  
1300 East Main Street  
First Floor  
Richmond, Virginia 23219  
(804) 371-9733

(for other matters)

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

**WASHINGTON**

(for service of process)

Director Department of Financial  
Institutions Securities Division  
150 Israel Road SW  
Tumwater, Washington  
98501  
(360) 902-8760

(for other matters)

Department of Financial Institutions  
Securities Division  
P. O. Box 9033  
Olympia, Washington 98501-9033  
(360) 902-8760

**WISCONSIN**

Commissioner of Securities  
345 W. Washington Ave., 4th Floor  
Madison, Wisconsin 53703  
(608) 266-8557

**EXHIBIT G**

**OPERATIONS MANUAL TABLE OF CONTENTS**



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**EXHIBIT H**

**LIST OF FRANCHISEES**

**EXHIBIT H - MMP Franchisees as of 12-31-24**

Franchisee Entity	Franchisee Contact	Restaurant Address 1	Address 2	City	State	Zip	Restaurant Phone #
T & R Pizza, Inc.	Tariq Abedi	2260 East Pacheco Blvd	Suite A & B	Los Banos	CA	93635	(209) 710-9190
Mountain Mikes AZ 2, LLC	Pelican Group	800 North 54th St	Suite 5	Chandler	AZ	85226	(480) 550-8141
Mountain Mikes AZ 1, LLC	Pelican Group	849 N Dobson Rd	Suite 112	Mesa	AZ	85201	(480) 992-4131
Cabbage Tree LLC	Jeremy Cabatingan	13736 W. Bell Rd	Suite P-114	Surprise	AZ	85374	(623) 235-8100
Mountain Mike's AZ 3, LLC	Pelican Group	4362 N Oracle Rd	Suite 112	Tucson	AZ	85705	(520) 524-1700
Yaqui Partners LLC	Greg Peck	6601 E Grant Rd	Suite 101	Tucson	AZ	85715	(520) 453-5200
Alameda Pizza Inc.	Gurkirat Nijar	714 Central Ave		Alameda	CA	94501	(510) 749-9499
American Canyon MMP Inc.	Jatinder Singh	410 Napa Junction Rd	Suite 106	American Canyon	CA	94503	(707) 563-5505
	Jasvir Deol	4207 Elverta Rd	Suite 105	Antelope	CA	95843	(916) 726-2929
GSN Corporation	Amandeep Nijhar	5005 Lone Tree Way	Suite L	Antioch	CA	94531	(925) 755-4343
Harjaz Inc.	Harry Sandhawalia	3612 Lone Tree Way		Antioch	CA	94509	(925) 757-3080
Antioch Food Venture, Inc.	Sharan Shergill	2509 Somersville Rd		Antioch	CA	94509	(925) 755-3000
Bright Two Corp.	Amrinder Brar	121 Rancho Del Mar	Building B	Aptos	CA	95003	(831) 612-6433
Tiger Foods & Hospitality, LLC	Gary Grewal	9006 West Front St		Atascadero	CA	93422	(805) 460-6700
A&S Pizza Inc.	Tariq Abedi	2751 Shaffer Rd	Suite 17	Atwater	CA	95301	(209) 358-5000
	Raj Narula	2520 Bell Rd		Auburn	CA	95603	(530) 888-8050
California MMP Inc.	Harry Singh	11000 Brimhall Rd		Bakersfield	CA	93312	(661) 588-8818
DB Ventures Inc.	Gurvinder Dhillion	9000 Ming Ave	Suite H-1	Bakersfield	CA	93311	(661) 512-0800
Bakersfield MMP Inc.	Harry Singh	9723 Panama Ln	Suite 300	Bakersfield	CA	93311	(661) 512-5100
Venture Pizza Equities, LLC	Joti Chandi	5700 Stine Rd		Bakersfield	CA	93313	(661) 834-2022
Venture Pizza Equities, LLC	Joti Chandi	5632 Stockdale Highway		Bakersfield	CA	93309	(661) 869-2300
G&K Pizza Inc.	KD Singh	390 El Camino Real		Belmont	CA	94002	(650) 508-1100
AASIKI, LLC	Oye Meadows	2130 Columbus Parkway		Benicia	CA	94510	(707) 746-7522
A & K Sidhu, Inc	Amarjit Sidhu	1610 San Pablo Ave		Berkeley	CA	94702	(510) 524-1000
Lehl Restaurants Brea Inc.	Raj Lehl	2435 Imperial Highway	Unit A	Brea	CA	92821	(714) 784-6274
	Luis Seita	1185 2nd St	Suite M	Brentwood	CA	94513	(925) 308-4544
Brentwood Pizza 2, LLC	Luis Seita	380 W. Country Club Ln		Brentwood	CA	94513	(925) 513-5939
	Ranjit Singh	2650 Cameron Park Dr		Cameron Park	CA	95682	(530) 676-9600
YG Dandoa, Inc.	Sukharaj Singh	301 E. Hamilton Ave		Campbell	CA	95008	(408) 378-9090
Fauji Pizza 2 Inc.	Raj Bhandaal	3155 South Bascom Ave	Unit B	Campbell	CA	95008	(408) 412-8950
H2K, LLC	Mr. Kim	26541 Carmel Rancho Blvd		Carmel	CA	93923	(831) 624-1007
Ghuman Enterprises	Lucky Ghuman	5019 El Camino Ave		Carmichael	CA	95608	(916) 486-1010
DTF Business Inc.	Govinder Pal Singh Ahluwalia	4141 Manzanita Ave	Suite 220	Carmichael	CA	95608	(916) 488-7676
Mavi Corporation	Kurt Singh	20261 Patio Dr		Castro Valley	CA	94546	(510) 537-1400
DEB Restaurant LLC	Johnny Babassi	2912 Whitmore Ave		Ceres	CA	95307	(209) 537-7777
Himmelspach Pizza Inc.	Steve Himmelspach	1722 Mangrove Ave	Suite 28	Chico	CA	95926	(530) 893-1923
Dhanju & Sons Enterprises Inc.	Sunny Singh	7011 Schaefer Ave	Suite A	Chino	CA	91710	(909) 628-6000
Chowchilla MMP Corp.	Gurpreet Chauhan	1525 East Robertson Blvd		Chowchilla	CA	93610	(559) 665-1305
Brar H. Manangement Group, Inc.	Dave Brar	7777 Sunrise Blvd	Suite 3700	Citrus Heights	CA	95610	(916) 728-1111
Dream Cuisine Pizza Inc.	Gurpreet Singh	1143 South Cloverdale Blvd		Cloverdale	CA	95425	(707) 669-5060
ROHA Foods Inc	Robby Basati	1798 Ashlan Ave		Clovis	CA	93611	(559) 291-9999
Valley Pizza Guys, Inc.	Robby Basati	1610 Herndon Ave	Suite 102	Clovis	CA	93611	(559) 298-7000
Mann's Pizza Inc	Jeet Mann	5358 Clayton Rd		Concord	CA	94521	(925) 689-4965
Mann's Pizza Inc	Jeet Mann	3501 Clayton Rd		Concord	CA	94519	(925) 676-9000
BSK Group Inc.	Ashish Brar	140 Ontario Ave	Suite 104	Corona	CA	92882	(951) 279-8000
Whatley Nutrition, LLC	Chip Whatley	350 E. 17th St	Suite A	Costa Mesa	CA	92627	(949) 524-3022
PIZZAEXCHANGE	Raja Sethi	35 Skyline Plaza		Daly City	CA	94015	(650) 993-4668
Danville Foods LLC	Karandeep Singh	130 Hartz Ave		Danville	CA	94526	(925) 552-7071
RSBDavis LLC	Ranjit Kaur	1411 W. Covell Blvd	Suite 111	Davis	CA	95616	(530) 564-7000
Delano MMP Inc.	Harry Singh	620 Woollomes Ave	Suite 101	Delano	CA	93215	(661) 778-0405
Seita Corporation	Luis Seita	1555 Riverlake Rd		Discovery Bay	CA	94505	(925) 240-6966
Dublin Foods Inc.	Rajesh Berry	8951 San Ramon Rd		Dublin	CA	94568	(925) 829-1670
Tararsh Foods, Inc	Colonel	10750 San Pablo Ave		El Cerrito	CA	94530	(510) 526-6000
ISS Pizza	Inder Singh	8441 Elk Grove Blvd, Florin Rd		Elk Grove	CA	95624	(916) 681-6878
Ma Saggi Inc.	Inder Singh	8690 Elk Grove Blvd	Suite 3	Elk Grove	CA	95624	(916) 685-5107
Star X Plus Inc.	Mandeep Singh	5010 Elk Grove Blvd	Suite 140	Elk Grove	CA	95758	(916) 684-0808
ARSF INC.	Inder Singh	7440 Laguna Blvd	Suite 114	Elk Grove	CA	95758	(916) 684-7888

ARSF INC.	Inder Singh	9320 Elk Grove Blvd	Suite 150	Elk Grove	CA	95624	(916) 896-0880
Maddox Resources Inc	John Maddox	1255 Lillian Ave		Escalon	CA	95320	(209) 838-8200
E and I Ventures, Inc.	Bashir Khan	3144 Broadway St	Suites C-3,C-4, C-5	Eureka	CA	95501	(707) 268-1100
SAAS Foods LLC	Paul Grewal	5267 Sunrise Blvd		Fair Oaks	CA	95628	(916) 961-4000
KAM & GAV PIZZA, INC.	Jeet Mann	3336 North Texas St	Suite C9	Fairfield	CA	94533	(707) 225-0700
Gill & Mann Mountain Mike, Inc	Jeet Mann	1819 North Texas St	Suite 1	Fairfield	CA	94533	(707) 422-6000
Vacaville Food Venturers, Inc.	Mandy Saini	251 Pittman Rd	Unit A	Fairfield	CA	94534	(707) 864-1700
FBO MMP LLC	Garrett Beck	1125 S Mission Blvd		Fallbrook	CA	92028	(760) 645-0505
HPS Investments, Inc.	Nirupma Singh	25075 Blue Ravine Rd	Suite 150	Folsom	CA	95630	(916) 817-1207
Butter Foods, Inc.	Paul Sidhu	717 E. Bidwell St	Suite 4	Folsom	CA	95630	(916) 983-3331
Chandi Pizza Restaurants LLC	Joti Chandi	898 S Main St		Fort Bragg	CA	95437	(707) 964-9999
E and I Ventures, Inc.	Bashir Khan	1095 S. Fortuna Blvd	Suite 4B	Fortuna	CA	95540	(707) 777-7550
Whatley Nutrition Two, LLC	Chip Whatley	18886 Brookhurst St		Fountain Valley	CA	92708	(657) 231-9674
Cal Pizza Inc.	Jaskamal Singh	3900 Decoto Rd		Fremont	CA	94555	(510) 713-7100
New Dream Pizza Inc	Goldie Buttar	39415 Fremont Blvd		Fremont	CA	94538	(510) 490-7500
Fremont Pizza Inc.	Goldie Buttar	3952 Washington Blvd		Fremont	CA	94538	(510) 490-4007
KC Pizza Inc.	Frank Gavlan	5150 E. Kings Canyon Rd		Fresno	CA	93727	(559) 255-1100
East Shaw Pizza LLC	Harkamalpreet Gill	1089 East Shaw Ave		Fresno	CA	93710	(559) 241-7210
UKP Brothers, Inc.	Gurmeet Singh	1055 East Herndon Ave	Suite 101	Fresno	CA	93720	(559) 439-5898
UKP Brothers, Inc.	Gurmeet Singh	8965 North Cedar Ave		Fresno	CA	93720	(559) 261-4111
KRS Enterprises Inc.	Sarbjot Mehrook	1937 W. Clinton Ave	Suite 103	Fresno	CA	93705	(559) 954-8200
T&R Pizza, Inc	Tariq Abedi	3842 West Shaw Ave		Fresno	CA	93711	(559) 277-0777
Seven Stars Pizza Inc.	Mandeep Singh	10400 Twin Cities Rd	Suite 50	Galt	CA	95632	(209) 745-4544
Garlic City Pizza Inc.	Robby Basati	747 First St		Gilroy	CA	95020	(408) 846-1900
Murcia Corp.	Robbie Murcia	2220 Gold Springs Court		Gold River	CA	95670	(916) 917-5511
Robin 24K Inc.	Robin Dhatt	6811 Douglas Blvd		Granite Bay	CA	95746	(916) 773-0909
Sahota and Gill Foods, LLC	Sukhdeep Sahota	151 W McKnight Way		Grass Valley	CA	95945	(530) 272-9066
M and H Pizza Inc.	Harwinder Singh	820 West Lacey Blvd		Hanford	CA	93230	(559) 585-1135
Starsons Bay LLC	Avtar Singh	31083 Mission Blvd		Hayward	CA	94544	(510) 487-6453
	Kurt Singh	410 W. Harder Rd		Hayward	CA	94544	(510) 264-0387
R & M Food Ventures Inc.	Mandy Saini	848 Willow Ave	Suite C-D	Hercules	CA	94547	(510) 245-1100
Empire Pizza Inc.	Robby Basati	27967 Greenspot Rd	Suite 4	Highland	CA	92346	(909) 862-1000
RoboHap, Inc	Robby Basati	261 McCray St	Suite A	Hollister	CA	95023	(831) 638-0401
ZIGCO, Inc.	Rene Ziegler	11974 CA-88	#2082	Jackson	CA	95642	(209) 223-0200
Empire Pizza, Inc.	Robby Basati	6237 Pats Ranch Rd	Suite B	Jurupa Valley	CA	91752	(951) 582-9000
	Raj Lehl	22942 Ridge Route Dr	Suite 100	Lake Forest	CA	92630	(949) 586-4141
SP Pizza Inc.	Harwinder Singh	229 Louise Ave	Suite C & D	Lathrop	CA	95330	(209) 858-1444
Sutter Placer Food Inc.	Jas Sohal	820 Sterling Parkway		Lincoln	CA	95648	(916) 543-9997
Tera 13 Inc.	Harwinder Singh	1129 Catalina Dr		Livermore	CA	94550	(925) 453-6903
RJ Pizzeria Inc.	Devinder Singh	1304 First St		Livermore	CA	94550	(925) 960-9555
Ghag Pizza, Inc.	Harwinder Singh	1472 N. Vasco Rd		Livermore	CA	94551	(925) 455-8999
G.H. Fard, Inc.	Hoss Fardsalehi	550 South Cherokee Ln		Lodi	CA	95240	(209) 333-0173
Five Star Pizza Inc.	Mandeep Singh	728 W. Kettleman Ln		Lodi	CA	95240	(209) 625-8380
L&S Pizza Inc.	Tariq Abedi	509 Pacheco Blvd		Los Banos	CA	93635	(209) 827-0555
RHY, Inc.	Yad Singh	14080 Blossom Hill Rd		Los Gatos	CA	95032	(408) 212-7800
MPR Trading LLC	Jatinder Singh	1460 E. Yosemite Ave	Suite 100	Madera	CA	93638	(559) 674-4487
MPR Trading LLC	Jatinder Singh	2180 West Cleveland Ave		Madera	CA	93637	(559) 664-9990
Manteca MMP Inc.	Harwinder Singh	1120 N. Main St		Manteca	CA	95336	(209) 823-1166
Yaesung Inc.	Mr. Kim	266 Reservation Rd		Marina	CA	93933	(831) 883-2242
L & S Foods Ventures Inc.	Mandy Saini	1160 Arnold Dr	Suite E	Martinez	CA	94553	(925) 229-9090
E and I Ventures, Inc.	Bashir Khan	1500 Anna Sparks Way	Suite F	McKinleyville	CA	95519	(707) 203-8500
	Jagdeep Singh	16810 Placer Hills Rd		Meadow Vista	CA	95722	(530) 878-1865
RHA Pizza Inc.	Robby Basati	29101 Newport Rd	Suite 107	Menifee	CA	92584	(951) 672-9000
Moscini Pizza Inc.	Brian Moscini	1001 El Camino Real		Menlo Park	CA	94025	(650) 694-9898
Merced & R Pizza, Inc.	Tariq Abedi	3630 G St	Suite A	Merced	CA	95340	(209) 773-0700
Lucky Stars and Moon Incorporated	Tariq Abedi	1348 West Olive Ave		Merced	CA	95340	(209) 723-2142
T & A Pizza, Inc	Tariq Abedi	1950 Yosemite Parkway		Merced	CA	95340	(209) 349-8549
PizzaExchange	Raja Sethi	1395 El Camino Real	Unit B	Millbrae	CA	94030	(650) 588-8550
GSB Pizza, Inc	Goldie Buttar	85 N. Milpitas Blvd		Milpitas	CA	95035	(408) 946-9401

Ceres MMP, LLC	Harwinder Singh	1633 E. Hatch Rd	Suite B	Modesto	CA	95351	(209) 538-8500
Modesto MMP VI Inc	Harwinder Singh	1221 E. Orangeburg Ave		Modesto	CA	95350	(209) 529-1555
Modesto MMP III Inc	Harwinder Singh	2720 McHenry Ave		Modesto	CA	95350	(209) 521-4403
Modesto MMP V Inc	Harwinder Singh	901 N. Carpenter Ave	Suite 40	Modesto	CA	95351	(209) 529-0500
Modesto MMP IV Inc	Harwinder Singh	3601 Pelandale Ave		Modesto	CA	95356	(209) 497-6799
Modesto MMP II Inc	Harwinder Singh	2101 Staniford Ave	Suite A	Modesto	CA	95350	(209) 544-2323
Maddox Resources Inc	John Maddox	3020 Floyd Ave	Suite 301	Modesto	CA	95350	(209) 551-1776
Modesto MMP, Inc.	Harwinder Singh	3801 Yosemite Blvd		Modesto	CA	95357	(209) 526-9000
Dhaliwal Restaurants, Inc.	Kamaljeet Singh Dhaliwal	724 Abrego St		Monterey	CA	93940	(831) 920-1442
Khan Venture Group, Inc.	Aamir Khan	754 New Los Angeles Ave	Suite G2	Moorpark	CA	93021	(805) 243-2500
SSG Restaurant Inc.	SJ Singh	504 Center St		Moraga	CA	94556	(925) 377-6453
Khasria Inc.	Sukh Singh	25970 Iris Ave	Suite B1	Moreno Valley	CA	92551	(951) 455-3900
RBHC Foods, Inc.	Robby Basati	17020 Condit Rd	Suite 120	Morgan Hill	CA	95037	(669) 888-3131
DV Pizza, Inc.	Victor Singh	19677 Mountain House Parkway		Mountain House	CA	95391	(209) 627-4100
GSK Pizza Inc.	Mohammed Afzal	1724 Miramonte		Mountain View	CA	94040	(650) 988-9090
Santa Rosa Chandi Brothers Inc.	Sonu Chandi	1501 Trancas St		Napa	CA	94558	(707) 751-6100
	Gurpreet Bhandal	5333 Thornton Ave		Newark	CA	94560	(510) 494-8177
JPR Superior Inc.	Palmira Reynoso	1441 N. St		Newman	CA	95360	(209) 862-5080
Antelope Pizza Corporation	Harnek Athwal	6745-J Watt Ave		North Highlands	CA	95660	(916) 331-8077
SL Investments Norwalk Inc.	Raj Lehl	12539 Imperial Highway	Suite 102	Norwalk	CA	90650	(562)261-1900
MMP Restaurant and Bar Inc.	Sonu Chandi	1561 S Novato Blvd		Novato	CA	94947	(415) 898-8800
Maddox Resources Inc	John Maddox	111 S. Maag Ave		Oakdale	CA	95361	(209) 847-4701
300 Davis Inc.	Navdeep Grewal	646 Hegenberger Rd	Suite 102	Oakland	CA	94621	(510) 639-7777
	Raj Bhandaal	1448-A High St	Suite A	Oakland	CA	94601	(510) 436-7988
Samra Food Inc.	Gurjeet Singh	2042 Mountain Blvd	Suite 109	Oakland	CA	94611	(510) 735-9555
Singh Pizza Restaurant Inc.	Ash Singh	4870 Telegraph Ave		Oakland	CA	94609	(510) 352-5954
Bhangu Foods	Ash Singh	1830 Webster St		Oakland	CA	94612	(510) 268-8226
Distinctive Foods, Inc.	Naim Zalmiayar	2091 Main St		Oakley	CA	94561	(925) 625-0770
FBO MMP LLC	Garrett Beck	455 College Blvd	Suite 10	Oceanside	CA	92057	(760) 295-3121
Oceans MMP LLC	Garrett Beck	2251 S. El Camino Real	Suite A	Oceanside	CA	92054	(442) 266-8162
Brar Management Group Inc.	Ronnie Brar	8801-A Greenback Ln		Orangevale	CA	95662	(916) 989-6677
Himmelspach Pizza Inc.	Steve Himmelspach	1901 Oro Dam Rd East		Oroville	CA	95965	(530) 533-9660
AL-FATTEH ASSOCIATES, INC.	Bobby Singh	1105 Victoria Ave		Oxnard	CA	93035	805-292-3300
Ladher LLC	Kamaljeet Singh Dhaliwal	1116 Forest Ave	Suite B	Pacific Grove	CA	93950	(831) 642-6000
Palmdale MMP Inc.	Harry Singh	2311 East Ave S.	Suite F-1&2	Palmdale	CA	93550	(661) 208-3700
Palo Alto Pizza Inc.	Goldie Buttar	1765 E. Bayshore Rd	Suite C	Palo Alto	CA	94303	(650) 414-3331
Stanford Pizza Inc.	KD Singh	3918 B Middlefield Rd		Palo Alto	CA	94303	(650) 856-7855
Mountain Mikes Pizza Paradise, Inc.	Bob Dickert	6626 Clark Rd	Suite K	Paradise	CA	95969	(530) 872-1991
Yan Hospitality Group LLC	Gordon Xu	3415 E. Colorado Boulevard	Unit A	Pasadena	CA	91107	(626) 669-6304
JPR Superior Inc.	Palmira Reynoso	1015 Sperry Ave	Suite H	Patterson	CA	95363	(209) 892-8400
Khasria Inc.	Sukhpreet Singh	1688 N. Perris Blvd	Suite F1	Perris	CA	92571	(951) 657-6500
Shrestha & Sons LLC	Roshil Shrestha	919 Lakeville St		Petaluma	CA	94952	(707) 769-8989
Pinole Food Ventures, Inc	Mandy Saini	1516 Fitzgerald Dr		Pinole	CA	94564	(510) 223-1900
Tiger Food & Hospitality LLC	Gary Grewal	441 Five Cities Dr		Pismo Beach	CA	93449	(805) 426-7100
Pittsburgh Food Ventures	Mandy Saini	378 Atlantic Ave		Pittsburg	CA	94565	(925) 427-4700
Savvy B Inc.	Ranjit Singh	3966 Missouri Flat Rd	Suite L	Placerville	CA	95667	(530) 303-3330
Pleasant Hill Foods, Inc.	Mandy Saini	1962 Contra Costa Blvd		Pleasant Hill	CA	94523	(925) 363-3494
Mann's Pizza, Inc	Jeet Mann	30 Golf Club Dr	Suite A	Pleasant Hill	Ca	94523	(925) 826-5101
GSN & Sons, Inc.	Amandeep Nijhar	3120-H Santa Rita Rd		Pleasanton	CA	94566	(925) 485-4242
	Paul Dhinsa	5424 Sunol Blvd	Suite 8	Pleasanton	CA	94566	(925) 846-3222
RoboHap, Inc	Robby Basati	17597 Vierra Canyon Rd		Prunedale	CA	93907	(831) 663-5000
	Rani Grewal	10419 Folsom Blvd		Rancho Cordova	CA	95670	(916) 363-0393
	Jagdeep Sekhon	7319 Milliken Ave		Rancho Cucamonga	CA	91730	(909) 466-8011
RSM MMP, LLC	Garrett Beck	22431 Antonio Parkway	Suite B-110	Rancho Santa Margarita	CA	92688	(949) 329-6072
Chetra Inc.	Talwinder Chetra	905 South Main St		Red Bluff	CA	96080	(530) 727-9277
PGC Pizza Corporation	Prabjot Mahi	2727 Churn Creek Rd		Redding	CA	96002	(530) 221-8525
Dhanju & Sons Enterprises Inc.	Sunny Singh	605 N. Eureka St	Suite 100	Redlands	CA	92374	(909) 335-1133
300 Davis Inc.	Navdeep Grewal	2171 Meeker Ave		Richmond	CA	94804	(510) 778-1076
Thorton Industries, Inc.	Perry Keyes	1201 West Main St		Ripon	CA	95366	(209) 599-3345

Maddox Resources Inc	John Maddox	6333 Oakdale Rd		Riverbank	CA	95367	(209) 869-6200
Sky Groups Inc	Karan Tung	17827 Van Buren Blvd	Suite 101	Riverside	CA	92508	(951) 998-2200
	Sunni Sajjan	5505 Whitney Blvd	Suite 2F	Rocklin	CA	95677	(916) 625-0777
Chandi Family Inc	Sonu Chandi	6314 Commerce Blvd		Rohnert Park	CA	94928	(707) 303-7474
SR Khan Family Ventures Inc.	Fazal Khan	1451 Southwest Blvd	Suite 117	Rohnert Park	CA	94928	(707) 795-4433
S&T Ventures, Inc.	Misha Sood	1850 Douglas Blvd	Suite 514	Roseville	CA	95661	(916) 787-4300
	Pinky Atwal	3989 Foothills Blvd	Suite 170	Roseville	CA	95747	(916) 782-7575
NH & V Investments Inc.	Rick Sandhu	996 Pleasant Grove Blvd	Suite 110	Roseville	CA	95678	(916) 780-6453
Natomas Foods Inc.	Jas Hundal	2069 Arena Blvd	Suite 100	Sacramento	CA	95834	(916) 419-4434
SBFOODS	Pinder Pannu	5640 Auburn Blvd		Sacramento	CA	95841	(916) 331-1150
Dulku & Dulku, Inc.	Bill Dulku	3609 Bradshaw Rd	Suite B	Sacramento	CA	95827	(916) 366-3609
Star Plus Pizza Inc.	Mandeep Singh	8211 Bruceville Rd	Suite B-135	Sacramento	CA	95823	(916) 896-5651
Bal Tiwana Retail Ventures LLC	Jai Tiwana	4720 Freeport Blvd	Suite 120	Sacramento	CA	95822	(279) 222-4310
Skyhigh Pizza Eatery Inc.	Manpreet Bal	1319 Fulton Ave		Sacramento	CA	95825	(916) 485-8314
Green Line Trading, Inc	Jas Hundal	2610 Gateway Oaks Dr	Suite 150	Sacramento	CA	95833	(916) 649-8000
Sahota & Gill Foods	Sukh Sahota	7808 Gerber Rd		Sacramento	CA	95828	(916) 688-3737
JP Sanghera LLC	Jasbir Sanghera	7660 La Riviera Dr		Sacramento	CA	95826	(916) 383-8300
	Paul Singh	4623 Mack Rd		Sacramento	CA	95823	(916) 392-6445
A 1 Pizza Inc.	Mandeep Singh	7465 Rush River Dr	Suite 100	Sacramento	CA	95831	(916) 970-5360
Mann & Mann Foods, Inc	Jeet Mann	1900 S St		Sacramento	CA	95811	(916) 399-4580
	Abbie Mehrabi	315 E. Alisal St		Salinas	CA	93901	(831) 424-5568
RBHC Foods, Inc.	Robby Basati	1580 Constitution Blvd		Salinas	CA	93905	(831) 449-1200
Yaesung Inc.	Mr. Kim	1020 N. Davis Rd		Salinas	CA	93907	(831) 757-0444
Yaesung, Inc	Mr. Kim	1670 North Main St		Salinas	CA	93906	(831) 449-9000
Three Sisters Pizza LLC	Gurpreet Bhandal	774 El Camino Real		San Carlos	CA	94070	(650) 366-9090
	Al Franco	3089 Clairemont Dr	Suite E	San Diego	CA	92117	(619) 275-6453
214- San Diego	Al Franco	7377 Jackson Dr		San Diego	CA	92119	(619) 469-6453
MMW Pizza Inc.	Sam Singh	670 River Oaks Parkway	Suite A	San Jose	CA	95134	(669) 544-1628
3rd Street Pizza Inc.	Sam Singh	29 S Third St		San Jose	CA	95113	(669) 499-4800
Top Eats Inc.	Prabhjit Singh	2938 Aborn Square Rd		San Jose	CA	95121	(408) 300-0554
A & H Corporation	Harman Ghuman	2908 Alum Rock Ave		San Jose	CA	95127	(408) 251-4000
GK Golden Food Inc.	Gurpreet Bola	431 Blossom Hill Rd		San Jose	CA	95123	(408) 629-3232
Mountain Mike's Branham LLC	Stephen Will Weir	1532 Branham Ln		San Jose	CA	95118	(408) 723-3701
SGTB	Gurjeet Kaur	4116 Monterey Rd		San Jose	CA	95111	(408) 622-4755
Naglee Pizza Corp	Harwinder Singh	2011 Naglee Ave		San Jose	CA	95128	(408) 280-5070
Savtaj Enterprise Inc.	Gurvinder Singh	6191 Santa Teresa Blvd		San Jose	CA	95123	(408) 226-5885
King Pizza Inc.	Sam Singh	1698 Story Rd	Suite 20	San Jose	CA	95122	(408) 770-9902
Mountain Mikes Branham LLC	Stephen Will Weir	2306 Almaden Rd	Suite 170	San Jose	CA	95125	(408) 979-0900
300 Davis Inc	Navdeep Grewal	302 Davis St		San Leandro	CA	94577	(510) 614-8696
Nijar Pizza, Inc.	Gurkirat Nijar	699 Lewelling Blvd	Suite 164	San Leandro	CA	94579	(510) 351-1100
Fuji Pizza	Ash Singh	2150 Marina Blvd		San Leandro	CA	94577	(510) 352-5954
PIZZAEXCHANGE	Raja Sethi	154 South B St		San Mateo	CA	94401	(650) 393-4799
Essen Ventures	Raj Sidhu	3340-L San Pablo Dam Rd		San Pablo	CA	94803	(510) 262-9000
Girad Pizza Inc.	John Girard	2100 4th St		San Rafael	CA	94901	(415) 454-4300
San Ramon Pizza Inc.	Manveer Singh	2205 San Ramon Valley Blvd	Suite A	San Ramon	CA	94583	(925) 314-9600
	Kirandeep Kaur	2637 Jensen Ave		Sanger	CA	93657	(559) 875-9000
MMP Pizza Inc.	Sam Singh	2510 Augustine Dr		Santa Clara	CA	95054	(408) 217-9003
Bhandal Pizza, LLC	Gurpreet Bhandal	1290 Franklin Mall		Santa Clara	CA	95050	(408) 246-3900
	Diana Benyamin	3715 Portola Dr		Santa Cruz	CA	95062	(831) 477-7760
AR-Rahmaan, Inc.	Bobby Singh	2228 S. Bradley Rd		Santa Maria	CA	93455	(805) 862-2879
Al-Nafeh Associates, Inc.	Bobby Singh	1729 North Broadway		Santa Maria	CA	93454	(805) 862-2400
Santa Rosa Chandi Pizza Inc	Joti Chandi	3125 Cleveland Ave		Santa Rosa	CA	95403	(707) 595-6505
SR Chandi Pizza Equities, Inc	Sonu Chandi	4501 Montgomery Dr		Santa Rosa	CA	95409	(707) 890-5033
Chandi Family, Inc	Sonu Chandi	1150 Santa Rosa Ave		Santa Rosa	CA	95404	(707) 544-2828
Brea Restaurants LLC	Ramsin Bitmansour	12850 Saratoga - Sunnysvale Rd		Saratoga	CA	95070	(408) 741-8400
	Kian Vossough	6006 La Madrona Dr	Unit C	Scotts Valley	CA	95066	(831) 438-7400
ROHA Foods Inc	Robby Basati	880 Broadway Ave		Seaside	CA	93955	(831) 899-7900
Thorton Industries, Inc.	Perry Keyes	1049 Mono Way		Sonoma	CA	95370	(209) 532-1235
FOODCORNER	Raja Sethi	101 Hickey Blvd	Suite D	South San Francisco	CA	94080	(650) 750-0400
Singh Pizza USA Inc.	Kamal Singh	2828 Country Club Blvd	#3	Stockton	CA	95204	(209) 645-4040

G & J Pizza, Inc	Jimmy Singh	4339 Morada Ln	Suite 100	Stockton	CA	95212	(209) 952-4141
Mountain Mike's Pizza Robinhood, Inc.	Ron Gill	1000 Robinhood Dr		Stockton	CA	95207	(209) 474-7470
Khahira Inc.	Paul Khahira	3526 Manthey Rd	Suite B	Stockton	CA	95206	(209) 983-1853
Ravi Kamal Pizza Inc.	Kamal Singh	678 N. Wilson Way	Suite 18	Stockton	CA	95210	(209) 941-2256
Mann's Pizza III, Inc	Jeet Mann	173 Sunset Ave		Suisun City	CA	94585	(707) 399-9895
JEIJ Foods, Inc.	JD Singh	848 East El Camino Real		Sunnyvale	CA	94087	(408) 773-2717
RHA Pizza Inc.	Robby Basati	39628 Winchester Rd	Suite I-J	Temecula	CA	92591	(951) 699-0020
Dhanju & Sons Enterprises Inc.	Sunny Singh	27644 Ynez Rd		Temecula	CA	92591	(951) 587-2100
GS Foods Inc.	Gurdip Singh	2260 Grant Line Rd	Suite 104	Tracy	CA	95377	(209) 836-8900
DS 135, Inc	Victor Singh	870 W. Schulte Rd		Tracy	CA	95376	(209) 836-4141
I & G, Inc	Harry Singh	721 East Prosperity Ave		Tulare	CA	93274	(559) 688-8800
Turlock II MMP, Inc.	Harwinder Singh	3202 Countryside Dr	Suite N	Turlock	CA	95380	(209) 217- 0100
Turlock MMP, Inc.	Harwinder Singh	2410 Geer Rd		Turlock	CA	95382	(209) 632-6400
Ukiah Pizza Restaurant LLC	Gurjeet Singh	1090 S State St		Ukiah	CA	95482	(707) 621-9292
AnchorPoint Inc	Richard Hu	34533 Alvarado-Niles Rd		Union City	CA	94587	(510) 475-1475
AnchorPoint Inc	Richard Hu	32170 Dyer St		Union City	CA	94587	(510) 471-7171
Dhanju & Sons Enterprises Inc	Sunny Singh	65 E Foothill Blvd		Upland	CA	91786	(909) 767-6222
	Malhi	1971 Alamo Dr		Vacaville	CA	95687	(707) 448-4007
Vacaville Food Venturers, Inc.	Mandy Saini	401 E Monte Vista Ave		Vacaville	CA	95688	(707) 447-0123
NA	Malhi	645 Elmira Rd		Vacaville	CA	95687	(707) 451-9854
Yaseen, Inc.	Paramjeet Singh Pelia	972 Admiral Callaghan Ln		Vallejo	CA	94591	(707) 515-6930
	Bobby Singh	4380 Sonoma Blvd		Vallejo	CA	94589	(707) 980.6696
M AND H PIZZA, INC	Harwinder Singh	3000 N. Dinuba Blvd	Suite F	Visalia	CA	93291	(559) 739-2800
Visalia Foods, Inc.	Harry Singh	3103 S. Mooney Blvd		Visalia	CA	93277	(559) 553-4545
I & G Inc	Harry Singh	5103 W. Walnut Ave		Visalia	CA	93277	(559) 733-5600
Rossmoor Pizza Inc.	Ramandeep Kaur	1970-D Tice Valley Blvd		Walnut Creek	CA	94595	(925) 210-1033
TND Corp	Gurvinder Singh	1817 Ygnacio Valley Rd		Walnut Creek	CA	94598	(925) 937-4411
	Perry Keyes	12178 Yosemite Blvd		Waterford	CA	95386	(209) 874-5200
	Diana Benyamin	1417 Freedom Blvd		Watsonville	CA	95076	(831) 728-0411
	Kash Singh	2919 West Capitol Ave		West Sacramento	CA	95691	(916) 372-8984
WINDSOR PIZZA RESTAURANT LLC	Gurpreet Singh	6580 Hembree Ln		Windsor	CA	95492	(707) 836-1700
Mann and Benipal Pizza INC	Jeet Mann	171 W. Main St		Woodland	CA	95695	(530) 665-6336
FIVE RIVERS FOODS INC.	Jas Sohal	1540 Butte House Rd	Suite 800	Yuba City	CA	95993	(530) 751-2525
Anahaat Corp.	Kurt Singh	25965 Industrial Blvd	Suite 103	Hayward	CA	94545	(510) 274-5936
Moscini Pizza Inc.	Brian Moscini	3121 Jefferson Ave		Redwood City	CA	94062	(650) 780-9622
Aborn Pizza Inc.	Harwinder Singh	1170 N. Capitol Ave		San Jose	CA	95132	(408) 926-7133
COS MM PIZZA, LLC	Isaac & Allie Brandon	123 Spectrum Loop	Suite 130	Colorado Springs	CO	80921	(719) 490-4300
BVT Investments Inc.	Chris & Rocio Plucinski	12239 Pine Bluffs Way	Suite 105	Parker	CO	80134	(303) 535-1500
Gem State Pies, LLC	Travis Trask & Boris Ilic	4610 N. Linder Rd	Suite 110	Meridian	ID	83646	(208) 744-9900
Gem State Pies, LLC	Travis Trask & Boris Ilic	3340 N Eagle Rd	Suite 140	Meridian	ID	83646	(208) 488-4242
Gem State Pies, LLC	Travis Trask & Boris Ilic	51 N. Union St	Suite 110	Star	ID	83669	(208) 325-0500
KAMALVEER PIZZA INC.	Kamal Singh	3440 St. Rose Parkway	Suite 5 & 6	Henderson	NV	89052	(702) 991-8800
Deepakkamal	Kamal Singh	785 E. Craig Rd		North Las Vegas	NV	89030	(702) 988-3200
Dilman Pizza Inc.	Kamal Singh	3340 S. McCarran Blvd		Reno	NV	89502	(775) 432-1288
Kamalpreet Pizza Inc.	Kamal Singh	925 W 5th St		Reno	NV	89503	(775) 448-6772
Kamalthandi Pizza Inc.	Kamal Singh	1201 Baring Blvd		Sparks	NV	89434	(775) 521-0800
Rogue Fare Grants Pass LLC	Jim Smith	1531 Northeast F St		Grants Pass	OR	97526	(541) 507-1947
Rogue Fare Klamath Falls LLC	Jim Smith	3430 Washburn Way	Suite E	Klamath Falls	OR	97603	(541) 851-9171
Rogue Fare LLC	Jim Smith	2640 E Barnett Rd		Medford	OR	97504	(541) 779-4599
Rogue Fare LLC	Jim Smith	2201 Owen Dr		Medford	OR	97504	(541) 200-2010
Rogue Fare Roseburg LLC	Jim Smith	722 W Harvard	Ste 108	Roseburg	OR	97471	(541) 900-1590
NIALL QSR CONCEPTS, LLC	Karim Rajani	24320 Northwest Fwy	Suite 100	Cypress	TX	77429	(832) 220-2800
CA2TX MMP 1, LLC	Varinder Basati	3488 TX-114	Suite 100	Fort Worth	TX	76177	(817) 207-7600
Texas Hospitality Ventures LLC	Ajay Gorde & Karina Rodriguez	27117 Fulshear Bend Dr	Suite 300	Fulshear	TX	77441	(832) 536-0100
SAINI FOOD INC.	Raman Saini	3172 S State Hwy 161	Suite 300	Grand Prairie	TX	75052	(972) 970-1400
Surprise Holding, Inc.	Tejpal Sandhu	1521 Keller Parkway	Suite 300	Keller	TX	76248	(682) 281-6800
BigZigZ Pizza LLC	Steve Zeigler	4740 TX - 121	Suite 900	Lewisville	TX	75056	(972) 954-2004
40 Acres Mansfield, LLC	Moses Chang & Ramein Gerami	1670 E. Broad St	Suite 105	Mansfield	TX	76063	(817) 214-2660
BIGZIGZ PIZZA II LLC	Steve Zeigler	3031 Washington Dr	Suite 100	Melissa	TX	75454	(945) 237-8400
40 Acres F&B, LLC	Moses Chang	6934 N. Blue Mound Rd		Saginaw	TX	76131	(817) 214-9400

3 TOPPINGS, LLC	Bryce Cranmer	1980 N Hwy 77	Suite 100	Waxahachie	TX	75165	(469) 916-4900
MOUNTAIN MIKE'S UT 2, LLC	Pelican Group	101 E 12300 S Suite		Draper	UT	84020	(801) 999-1302
Wasatch Mountain Pizza, LLC	David Hill	72 E 600 South	Suite 130	Heber City	UT	84032	(435) 518-0300
LDK Development LLC	Lydia Faulkner	14728 S Marketplace Dr	Suite D & E	Herriman	UT	84096	(801) 630-7800
Pepperoni LLC	Nic Lauritzen	88 N 3400 W	Suite 2	Hurricane	UT	84737	(435) 215-4134
RVTC Enterprises, LLC	Jamie Cabral	41 West University Pkwy		Orem	UT	84058	(385) 482-0502
Mountain Mike's UT 1, LLC	Pelican Group	3785 W 10400 S	Suite 101-103	South Jordan	UT	84095	(801) 878-1551
RVTC Spanish Fork, LLC	Jamie Cabral	1293 N. Canyon Creek Parkway		Spanish Fork	UT	84660	(801) 798-5532
YASHRAJ55 INVESTMENT LLC	Gurjot Thind	17127 Smokey Point Blvd		Arlington	WA	98223	(425) 549-4600
YASHRAJ44 INVESTMENT LLC	Gurjot & Yashraj Thind	528 East College Way		Mount Vernon	WA	98273	(425) 549-4500
PIZZA 79 MKE INC.	Jasmeet Shergill	7828 W Layton Ave		Greenfield	WI	53220	(414) 775-9500



**Franchise Agreements Signed as of 12/31/24 But Restaurants Not Opened as of 12/31/24**

#	Location	Franchisee	Entity	State
463	Rogers	Paven Sandhu	SANDHU FOOD GROUP, LLC	AR
434	Phoenix/N. 99th	Jeremy Cabatingan	CABBAGE TREE II LLC	AZ
419	Arizona	Lydia Faulkner, Dave Wilcox, Katie Hanson, Richard Wilcox	LDK Development LLC	AZ
479	Lake Havasu, AZ	Gregory Scot Michie & Eugene Rhodes	NA	AZ
475	Chico (TBD)	Talwinder Chetra	NA	CA
457	Daly City/Mission	Raja Sethi	FOODCORNER	CA
440	Dixon/N. 1st	Happy Singh	DIXON FOOD VENTURES, LLC	CA
415	El Dorado Hills	Sandeep Kaur & Ranjit Singh	Savvy B Inc.	CA
458	Fairfield/Dickson Hill	Gurjeet Mann	KAM & GAV PIZZA, INC.	CA
402	Orange County (1)	Hector Haget	DPRENTERPRISES LLC	CA
409	Manteca/W. Atherton	Harwinder Singh	MANTECA MMP, INC	CA
444	Moorpark/ New Los Angeles	Aamir Khan, Bashir Khan, Fazal Khan	KHAN VENTURE GROUP, INC.	CA
460	Pittsburg/W. Leland	Mandy Saini	BAY POINT FOODS, INC	CA
445	Porterville, CA	Daljeet Singh & Maninder Kaur	NA	CA
437	Reedley/W. Manning	Sukwinder Singh	SIDHU PIZZA CORP	CA
411	San Francisco	Rajdeep Sidhu	NA	CA
375	South San Francisco/Hickey	Jagjit Sethi, Charanpreet Singh, Gurpreet Singh	FOODCORNER	CA
404	Stockton (TBD)	Ranjit Gill & Gobinder Birring	MOUNTAIN MIKE'S PIZZA ROBINHO	CA
480	Union City	Goldie Buttar	UNIONCITY PIZZA INC	CA
379	West Roseville/Pleasant Grove	Manny Singh	HM SINGH CORP	CA
422	Aurora/S. Parker	Chris & Rocio Plucinski	BVT INVESTMENTS INC.	CO
470	Sean Morrison and Ned Algeo - #1 (Orlando)	Sean Morrison & Ned Algeo	MMP I, LLC	FL
442	Henderson/St. Rose	Kamal Singh, Manpreet Rai, Manjinder Kaur	KAMALVEER PIZZA INC.	NV
423	North Las Vegas/E. Craig	Kamal Singh, Manpreet Rai, Manjinder Kaur	DEEPAKKAMAL	NV
459	North Las Vegas/N. Decatur	Kamal Singh, Manpreet Rai, Manjinder Kaur	RAI VEER PIZZA INC	NV
461	Summerlin/Village	Kamal Singh, Manpreet Rai, Manjinder Kaur	JANJUA THANDI PIZZA INC	NV
473	Carson City/S Carson	Kamal Singh, Manpreet Rai, Manjinder Kaur	PREETVEER PIZZA INC	NV
451	Reno/Summit	Kamal Singh, Manpreet Rai, Manjinder Kaur	JANJUA RAI PIZZA INC	NV
474	Midwest City	Jasmeet Kang & Monjot Kang	NA	OK
472	Salem	Amritpal Singh, Jaspal Singh & Pritpal Singh	NA	OR
435	Eugene	Charanjit Dhanoa	CJ MOUNTAIN PIZZA LLC	OR
455	Cypress/FM 529	Karim Rajani	NIALL QSR 529, LLC	TX
443	Dallas/Forth Worth (TBD) (TX) (6-3-24)	Jatinder Singh	MPR TRADING LLC	TX
416	Fulshear/Fulshear Bend	Ajay Gorde; Karina Del Pillar Rodriguez Caviedes	Texas Hospitality Ventures, LLC	TX
464	Georgetown	Rajeev Dewan	SIVATX INC	TX
482	Manor	Rajeev Dewan	SIVATX INC	TX
456	McKinney/W. University	Hector Haget & Khris Tate	LAKE FOREST PIZZA GROUP, LLC	TX
454	Moses Chang and Ramein Gerami-Store 4 (TX)	Moses Chang & Ramein Gerami	NA	TX

478	Princeton	Ramein Gerami & Moses Chang	40 ACRES PRINCETON LLC	TX
401	Prosper/N. Preston	Hector Haget & Khris Tate	JEFES PIZZA, LLC	TX
469	Tim Fogarty (East Dallas)	Timothy Michael Fogarty	THE DENNIS B. FOGARTY 2013 REV	TX
449	Saratoga Springs/N. Lake	Matthew & Ben Miller	NA	UT
441	David Hill- #1 (Heber Valley)	David & Lynn Hill	WASATCH MOUNTAIN PIZZA LLC	UT
446	Mount Vernon/East College	Yashraj Thind & Gurjot Thind	YASHRAJ44 INVESTMENT LLC	WA
476	Vancouver/NE 10th	Veronica Thind & Gurjot Thind	PNW THIND 2 INC.	WA
477	Wenatchee	Michael & Stephanie Andler	NA	WA
453	Battle Ground/W Main	Veronica Thind & Gurjot Thind	PNW THIND INC.	WA
452	Greenfield/W. Layton	Jasmeet Shergill	PIZZA 79 MKE INC.	WI
447	Bellevue/Costco	Jasmeet Shergill	PIZZA 79 INC.	WI

**EXHIBIT I**

**BANK ACCOUNT DEBIT AUTHORIZATION**

**MOUNTAIN MIKE'S PIZZA, LLC**

**"Franchisor of Mountain Mike's Pizza Restaurants"**

**Automatic Debit of Weekly Franchise Royalty and  
Marketing Fund Contribution by Franchisor**

Franchisee Name: \_\_\_\_\_

Franchise Restaurant #: \_\_\_\_\_

Franchise Location: \_\_\_\_\_

I (we), franchisee of the above-referenced Mountain Mike's Pizza restaurant, authorize Mountain Mike's Pizza, LLC (hereinafter the "Franchisor") to debit on every Friday from franchisee's bank account, or as otherwise specified in the Franchise Agreement, the amount of Royalty and Marketing Fund contributions due to the Franchisor based on Gross Sales of the above-referenced Mountain Mike's Pizza restaurant for each and every preceding week beginning on Monday and ending on Sunday in accordance with the provisions of the Franchise Agreement executed between the Franchisor and franchisee.

**Franchisee's Bank**

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

ABA Routing Number: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Comment/Reference:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

**EXHIBIT J**

**LIST OF FRANCHISEES WHO LEFT SYSTEM**

EXHIBIT J - LIST OF FRANCHISEES WHO LEFT THE SYSTEM				
Entity Name	Franchisee Contact	City	State	Contact Number
	Julie Griffith	Bakersfield	CA	661-717-0192; 661- 203-4348
	Julie Griffith	Bakersfield	CA	661-717-0192; 661- 203-4350
Kings Pizza LLC	Raja Sran	Campbell	CA	408-802-3631
	Paul and Harkesh Sandhu	Grass Valley	CA	530-798-0483
Yosemite MMP Corp.	Sukwinder Singh & Gurpreet Chauhan	Madera	CA	707-535-6143; 707-535-6142
Cleveland MMP Corp.	Sukwinder Singh & Gurpreet Chauhan	Madera	CA	707-535-6143; 707-535-6142
Liotard & Daughters, Inc.	Jeff & Tevani Liotard	Manteca	CA	209-817-5921; 209-815-5553
J Street Holdings	Yvette Prindle	Marysville	CA	404-229-2739
Maddox Resources Inc	John Maddox, Ann Maddox, Joey Maddox, Ally Maddox	Modesto	CA	209-604-6946
Maddox Resources Inc	John Maddox, Ann Maddox, Joey Maddox, Ally Maddox	Modesto	CA	209-604-6946
Maddox Resources Inc	John Maddox, Ann Maddox, Joey Maddox, Ally Maddox	Modesto	CA	209-604-6946
Maddox Resources Inc	John Maddox, Ann Maddox, Joey Maddox, Ally Maddox	Modesto	CA	209-604-6946
Maddox Resources Inc	John Maddox, Ann Maddox, Joey Maddox, Ally Maddox	Modesto	CA	209-604-6946
RHG Foods, Inc.	Ravinder Basati	Moreno Valley	CA	408-603-8613
IEP Enterprises, Inc.	Ravinder Basati	Perris	CA	408-603-8613
Kapoor Foods, LLC	Rajesh Kapoor	Pleasant Hill	CA	707-419-9337
Dulku & Sahota, Inc.	Bill Dulku & Harry Sahota	Red Bluff	CA	916-289-5956; 916-693-0716
Samundar Inc.	Balwant Singh Handa	Sacramento	CA	510-396-1739
Moscini Pizza, Inc.	Janet Moscini	San Carlos	CA	650-245-0452; 650-544-9598
Kiki Foods Alum Inc.	Kulvinder Sethi, Devinder Singh, and Kawaldeep Sethi	San Jose	CA	925-339-8567
Kiki Foods Aborn Inc.	Kulvinder Sethi, Devinder Singh, and Kawaldeep Sethi	San Jose	CA	925-339-8567
Amiromina Inc	Amirhossein Sadatnaserabati	San Jose	CA	925-548-0346
M & K Pizza Inc.	Karanveer Bhatia and Harpreet Bhatia	San Pablo	CA	510-507-3306
Ukiah Pizza Restaurant LLC	Pardeep Singh, Sukhwinder Singh, Baljinder Singh Beasla, Iqbaldip Singh Beasla, Rohit Kumar	Ukiah	CA	925-695-5086

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

**EXHIBIT K**

**RENEWAL RIDER TO FRANCHISE AGREEMENT**

**RENEWAL RIDER  
TO MOUNTAIN MIKE'S PIZZA, LLC  
FRANCHISE AGREEMENT**

**THIS RENEWAL RIDER TO FRANCHISE AGREEMENT** (this "Rider") is made and entered by and between **MOUNTAIN MIKE'S PIZZA, LLC**, a Delaware limited liability company with its principal business address at 110 Theory, Suite 150, Irvine, CA 92617 ("we," "us," or "our"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("you" or "your"). This Rider will be deemed effective as of \_\_\_\_\_ (the "Effective Date").

1. **Preambles and Acknowledgments.** Simultaneously with signing this Rider, we and you are signing a Franchise Agreement (the "Renewal Franchise Agreement") to govern your continued operation of the RESTAURANT at the Premises. (All initial capitalized terms used but not defined in this Rider have the meanings given to them in the Renewal Franchise Agreement). We and you acknowledge that the Renewal Franchise Agreement is the successor to the Franchise Agreement between you and us dated as of \_\_\_\_\_, \_\_\_\_\_ (the "Expiring Franchise Agreement"), under which you operated the RESTAURANT at the Premises during the initial franchise term until the Effective Date. We and you are signing this Rider to modify certain provisions of the Renewal Franchise Agreement to reflect that the Renewal Franchise Agreement is a successor to the Expiring Franchise Agreement, and intended to govern our and your relationship during the successor franchise term, and that certain provisions of the Renewal Franchise Agreement do not apply to your operation of the RESTAURANT during its term.

2. **Expiration of Expiring Franchise Agreement.** The term of the Expiring Franchise Agreement is deemed to have expired as of the Effective Date. You will have no further rights under the Expiring Franchise Agreement following the Effective Date.

3. **Term of the Franchise.** The second sentence of Subsection 1.D. of the Renewal Franchise Agreement is deleted and replaced with the following:

Subject to this Agreement's terms, we hereby grant you a franchise (the "Franchise") to operate a Mountain Mike's Pizza Restaurant (the "RESTAURANT") at the Premises, and to use the System in its operation, for a term commencing on the Effective Date and expiring ten (10) years from that date, unless sooner terminated in accordance with Section 14 hereof.

4. **Site Selection.** Subsection 2.A. of the Renewal Franchise Agreement is deleted.

5. **Lease of Premises.** You acknowledge that you have delivered to us a complete and accurate copy of the currently effective Lease. If the Lease is proposed to be amended, renewed, or extended at any time during the Renewal Franchise Agreement's term, you must obtain our prior written acceptance of, and otherwise comply with Subsection 2.B. of the Renewal Franchise Agreement with respect to, the amended, renewed, or extended Lease.



6. **Restaurant Development.** Subsection 2.C. of the Renewal Franchise Agreement is deleted. However, you agree to make the upgrades, modifications, and improvements to the RESTAURANT, Premises, and Operating Assets specified on the attached "Upgrade Schedule." You agree to complete each task listed on the Upgrade Schedule to our satisfaction, and in accordance with the Renewal Franchise Agreement (including, without limitation, provisions relating to designated, recommended, or approved suppliers), before the applicable due date. Your failure to do so will be a breach of the conditions for renewal contained in the Expiring Franchise Agreement and a breach of the Renewal Franchise Agreement, allowing us to terminate the Renewal Franchise Agreement. The term "Operating Assets" remains defined as all required fixtures, furniture, equipment (including a computer, telecopier, and point-of-sale information system), furnishings and signs. The term "Supplies" remains defined as authorized and approved products, materials and supplies.

7. **Restaurant Opening.** Subsection 2.F. of the Renewal Franchise Agreement is deleted.

8. **Marketing Program.** Subsection 2.G. of the Renewal Franchise Agreement is deleted.

9. **Initial Franchise Fee.** Subsection 3.A. of the Renewal Franchise Agreement is deleted. However, you must pay us the renewal fee specified in the Expiring Franchise Agreement.

10. **Royalty.** The second sentence of Subsection 3.B. of the Renewal Franchise Agreement is deleted and replaced with the following:

You must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty and other amounts due under this Agreement.

11. **Training.** The first two (2) paragraphs of Subsection 4.A. of the Renewal Franchise Agreement are deleted.

12. **Modification of System Standards.** The second sentence of Subsection 8.B. of the Renewal Franchise Agreement is deleted and replaced with the following:

Except for changes in the Computer System (the amounts for and timing of which are not limited), and except as required as a condition of your renewal of your franchise under the Renewal Franchise Agreement (see Paragraph 6 of this Rider above), we will not obligate you to make any Capital Modifications during the first three (3) years of the term of this Agreement or after that time when the investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement, unless we agree to extend the term of this Agreement so that the additional investment, in our reasonable judgment, may be amortized, or unless the investment is necessary in order to comply with applicable laws.

13. **Successor Franchise.** Section 13 of the Renewal Franchise Agreement is deleted. You have no right to acquire, and we have no obligation to grant, another successor

franchise when the Renewal Franchise Agreement expires. When the Renewal Franchise Agreement expires, you must cease operating the Restaurant.

14. **Termination.** Subsections 14.B.(2) and (3) of the Renewal Franchise Agreement are deleted.

15. **Release.** As consideration for our granting you the rights under the Renewal Franchise Agreement, you and your affiliates, on behalf of yourselves and your and their respective successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, and employees (collectively, the “Releasing Parties”), hereby forever release and discharge us and our affiliates, and our and their respective current and former officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the “Released Parties”), from any and all claims, damages, demands, causes of action, suits, duties, and liabilities of any nature and kind, whether known or unknown, vested or contingent (for purposes of this Paragraph 15, collectively, “Claims”), that you and any of the other Releasing Parties now have, ever had, or, but for this Paragraph 15, hereafter would or could have against any of the Released Parties (a) arising from or related to the Released Parties’ performance of or failure to perform obligations under the Expiring Franchise Agreement, or (b) otherwise arising from or related in any way to your and the other Releasing Parties’ relationship, from the beginning of time to the Effective Date, with any of the Released Parties, excepting only any Claims arising exclusively from or related exclusively to the grant of the franchise under the Renewal Franchise Agreement.

You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this Paragraph and represent that you have not assigned any such Claims to any individual or entity who is not bound by this Paragraph.

*Each of the parties acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:*

*“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor.”*

*Each of the parties hereto recognizes that he, she, or it may have some claim, demand, or cause of action against the other parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Rider. Each of the parties hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**MOUNTAIN MIKE’S PIZZA, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**FRANCHISEE**

**(IF YOU ARE TAKING THE  
FRANCHISE AS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE  
FRANCHISE INDIVIDUALLY AND  
NOT AS A LEGAL ENTITY):**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

**UPGRADE SCHEDULE**

TASKS TO BE COMPLETED	DUE DATE

[Attach additional pages if necessary]

**MOUNTAIN MIKE’S PIZZA, LLC, a**  
Delaware limited liability company

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**FRANCHISEE**

**(IF YOU ARE TAKING THE  
FRANCHISE AS A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE  
FRANCHISE INDIVIDUALLY AND  
NOT AS A LEGAL ENTITY):**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

**EXHIBIT L**

**FRANCHISEE REPRESENTATIONS**

**MOUNTAIN MIKE'S PIZZA, LLC**  
**FRANCHISEE REPRESENTATIONS**

**Important Instructions:** Read this document carefully and do not sign it if it contains anything you think might be untrue. If you sign this document, you are confirming that what it says is true. In addition, if you sign it, we will take actions in reliance on the truth of what it says.

The following franchisee — \_\_\_\_\_ (the “Franchisee”) — is interested in acquiring a franchise for a MOUNTAIN MIKE’S® Restaurant to be operated at a specific location identified in the Franchise Agreement (the “Restaurant”). Each of the undersigned represents that all of the following statements are true:

1. Each of the undersigned has conducted its, his, or her own independent investigation of Mountain Mike’s Pizza, LLC (“we,” “us,” or “our”), the MOUNTAIN MIKE’S® system, the risks, burdens, and nature of the business Franchisee will conduct under the Franchise Agreement, the Restaurant’s site, and the Franchisee’s proposed exclusive territory under the Franchise Agreement.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

2. Each of the undersigned understands that the business Franchisee will conduct under the Franchise Agreement involves risks and that success or failure will be substantially influenced by the Franchisee’s abilities and efforts.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

3. Each of the undersigned understands that we previously might have entered into franchise agreements with provisions differing from those appearing in the Franchise Agreement for the Restaurant and, in the future, may enter into franchise agreements with provisions differing from those appearing in the Franchise Agreement for the Restaurant.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

4. Franchisee has received executable copies of the Franchise Agreement and all related documents and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning those documents. If we unilaterally made any material changes in the Franchisee’s final, ready-to-be-signed copies of the Franchise Agreement and related documents, **other than as a result of negotiations started by the Franchisee**, the Franchisee has had copies of those documents in-hand for at least seven (7) calendar days before signing them.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

5. Franchisee has received a Franchise Disclosure Document (“FDD”) as required by law at least fourteen (14) calendar days before signing the Franchise Agreement or any other binding agreement, and at least 14 calendar days before paying any consideration to us or our affiliate in connection with this franchise, and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

6. Except as provided in our FDD (if we make a financial performance representation in Item 19 of the FDD), we have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Restaurant or any other Restaurant, except: (None, unless something is filled-in here)

---

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

7. Each of the undersigned understands that:

7.1 Except as provided in our FDD (if we make a financial performance representation in Item 19 of the FDD), we do not authorize our officers, directors, or employees to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any MOUNTAIN MIKE’S® Restaurant.

7.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular MOUNTAIN MIKE’S® Restaurant.

7.3 We have specifically instructed our officers, directors, and employees that, except as provided in our FDD (if we make a financial performance representation in Item 19 of the FDD), they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales volume, or profitability, either generally or with respect to any particular MOUNTAIN MIKE’S® Restaurant.

7.4 If any unauthorized representation, warranty, promise, guaranty, prediction, projection, or other statement or information is made or given, the undersigned should not (and will not) rely on it and should report it to our management.

*\*Insert initials into the following blank to confirm these statements: \_\_\_\_*

8. Before signing the Franchise Agreement and any related agreements, the undersigned Franchisee has had ample opportunity: (A) to discuss the Franchise Agreement, any

related agreement, and the business Franchisee will conduct with its, his, or her own attorneys, accountants, and real estate and other advisors; (B) to contact our existing franchisees; and (C) to investigate all statements and information made or given by us and our officers, directors, employees, and agents relating to the franchise system, the Restaurant, and any other subject.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

9. Each of the undersigned understands that the Franchise Agreement grants rights for one, and only one, Restaurant, operated only at the location now specified in the Franchise Agreement, and that, except as provided in the Franchise Agreement, no “exclusive,” “expansion,” “protected,” “non-encroachable,” or other territorial rights, rights of first refusal, or rights of any other kind are granted or have been promised concerning the contiguous or any other market area of the Restaurant or any other existing or potential MOUNTAIN MIKE’S® Restaurant or geographic territory.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

10. Each of the undersigned understands that the Franchise Agreement (including any riders and exhibits) constitutes the entire agreement between the parties with respect to the franchise rights for the MOUNTAIN MIKE’S® Restaurant and supersedes all prior and other contemporaneous oral or written agreements, statements, representations, or understandings of us, the undersigned, and the Franchisee with respect to the MOUNTAIN MIKE’S® Restaurant, except representations made by the undersigned in this document and by us in the FDD (although Franchise Agreement provisions described in the FDD may be modified by us and you upon mutual agreement in the final version of the Franchise Agreement signed by you and us).

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

11. Each of the undersigned understands that, except for representations made by us in the FDD (although Agreement provisions described in the FDD may be modified by us and you upon mutual agreement in the final version of the Agreement signed by you and us), nothing stated or promised by us that is not specifically set forth in the Franchise Agreement can be relied upon by the undersigned or the Franchisee.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

12. The only state(s) in which each of the undersigned is a resident is (are):

\_\_\_\_\_.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

13. Each of the undersigned understands the importance of the Restaurant’s location. The undersigned and the Franchisee have had ample opportunity and the means to investigate, review, and analyze independently the Restaurant’s location, the building in which it is contained, the market area and all other facts relevant to the selection of a site for a MOUNTAIN MIKE’S® Restaurant location, and the lease documents for each location.



*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

14. Each of the undersigned understands that neither our acceptance of any location nor our review or acceptance of any lease implies or constitutes any warranty, representation, guarantee, prediction, or projection that the location will be profitable or successful or that the lease is on favorable terms, its often being the case that leases are available only on very tough terms.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

15. Each of the undersigned understands that site selection is a difficult and risky proposition. We have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied upon by the undersigned or Franchisee regarding a location's prospects for success, nearby tenants, other attributes, or the form or contents of any lease. Franchisee will have any lease reviewed by its, his, or her own attorney and other advisors.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

16. The covenants and restrictions concerning competition contained in the Franchise Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or the Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature that enable each of them to derive income that is satisfactory to them from other endeavors.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

17. There is no fiduciary or confidential relationship between us and the undersigned or between us and the Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with it, him, or her at arm's length and in our own best interests.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

18. We have advised the undersigned and the Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Franchise Agreement and all other documents signed concurrently with the Franchise Agreement, this document, the Restaurant, any lease or sublease for the Restaurant's location, and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

19. Neither we nor any employee has provided the undersigned or the Franchisee with services or advice that are of a legal, accounting, or other professional nature.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

20. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Franchise Agreement. The statements made in this document or the Franchise Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

21. Each of the undersigned understands that we may sell or transfer our assets, our trademarks, or the MOUNTAIN MIKE'S® System outright to a third party; go public; engage in a private placement of some or all of our securities; merge, acquire other corporations, or be acquired by another corporation; and/or undertake a refinancing, a recapitalization, a leveraged buy-out, or other economic or financial restructuring.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

22. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and the Franchisee hereby certify that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with the Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and the Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

23. Each of the undersigned understands that, in the franchise relationship, we and Franchisee will be independent contractors. Nothing is intended to make either Franchisee or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We will not exercise direct or indirect control over the Restaurant's personnel except to the extent any indirect control is related to our legitimate interest in protecting the quality of products, service, or the MOUNTAIN MIKE'S® brand. We will not share or codetermine the employment terms and conditions of the Restaurant's employees or affect matters relating to the employment relationship between Franchisee and the Restaurant's employees, such as employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. We will not be the employer or joint employer of the Restaurant's employees.

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

*\*Insert initials into the following blank to confirm this statement: \_\_\_\_*

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name Printed)

\_\_\_\_\_  
(Name Printed)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

**The following language applies only to transactions governed by the California Franchise Investment Law:**

This questionnaire does not apply to franchises who intend to operate the franchised business in the State of California.

**The following language applies only to transactions governed by the Washington Franchise Investment Protection Act:**

Do not sign this Questionnaire if you are a resident of Washington or the franchise is to be operated in Washington.

**EXHIBIT M**

**ADORA POINT-OF-SALE SYSTEM SERVICE (SAAS) AGREEMENT**

## Adora/MMP POS System Service (SaaS) Agreement

This Software as a Service (SaaS) Agreement (“**Agreement**”) is effective as of \_\_\_\_\_, (“**Effective Date**”) and is made by and between Adora POS, LLC, a Nevada limited liability company (“**Licensor**”), and \_\_\_\_\_, dba Mountain Mike’s Pizza, located at \_\_\_\_\_ (“**Licensee**”).

Whereas, Licensee is a franchisee of the Mountain Mike’s Pizza franchised system and operates franchises at the following locations: \_\_\_\_\_ (“**Franchise Locations**”) pursuant to a Franchise Agreement with Mountain Mike’s Pizza Inc. (“**MMPI**”);

Whereas, Licensor offers to Licensee Internet-based access to and use of Licensor’s Point of Sale Software platform described in this document (the “**Licensor Solution**”) for use at the Franchise Locations;

WHEREAS, Licensee desires to access and use the Licensor Solution and Licensor desires to give Licensee such access to and use of the Licensor Solution, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. **ACCESS; ACTIVATION DATE.** Subject to the terms and conditions of this Agreement, Licensor agrees to use commercially reasonable efforts to provide Licensee with access to the Licensor Solution via the Internet commencing on the Activation Date. The term “**Activation Date**” means the date set forth in Exhibit A on which the Licensor Solution is scheduled to be made available to Licensee via the Internet for commercial use.

### 2. **LICENSE AND RESTRICTIONS.**

2.1 **License Grants.** Subject to the terms and conditions of this Agreement and on condition that Licensee is in compliance with this Agreement, Licensor hereby grants to Licensee, during the term of this Agreement, a limited, non-exclusive, non-transferable (except in the event of the transfer of the Franchise Agreement with the Franchisor’s approval) license, without the right to sublicense, to access and use the Licensor Solution and use Transaction Data (as defined below) stored therein via the Internet solely for use by Licensee for the point of sale transactions at the Franchise Location and Licensee’s other internal purposes relating to the operation of such Franchise Location.

2.2 **License Restrictions.** Licensee shall not, directly or indirectly, and Licensee shall not permit any third party to, (i) reverse engineer, decompile, disassemble or otherwise attempt to discover the object code, source code or underlying ideas or algorithms of the Licensor Solution; (ii) modify, translate, or create derivative works based on any element of the Licensor Solution or any related documentation; (iii) rent, lease, sell, resell, assign, or otherwise transfer its rights to use the Licensor Solution; (except in the event of the transfer of the franchise agreement with the franchisor’s approval) (iv) distribute the Licensor Solution; (v) use the Licensor Solution for timesharing or service bureau purposes or otherwise for the benefit of any person or entity other than for the benefit of Licensee; (vi) remove any proprietary notices from Licensor materials furnished or made available to Licensee, including without limitation the Licensor Solution; (vii) publish or disclose to third parties any evaluation of the Licensor Solution without Licensor’s prior written consent; or (viii) use the Licensor Solution for any purpose other than its intended purpose and in connection with sales at the Franchise Locations.

**2.3 Other Licenses Granted by Licensor.** Licensor may from time to time enter into development agreements with Licensee to further customize or modify the Licensor Solution for Licensee's operations. Pursuant to such development agreements, which form may be attached hereto as Exhibit C as needed, Licensor may grant additional licenses to Licensee, which licenses shall not supersede or conflict with the license granted herein.

### **3. PASSWORDS; SECURITY.**

**3.1 Passwords.** Licensor will either issue to Licensee or authorize a Licensee administrator to create and to issue to each authorized employee of Licensee ("**Authorized User**"), a user identification number and/or password for access to and use of the Licensor Solution. Licensee is responsible for maintaining the confidentiality of all user identification numbers and/or passwords and for ensuring that each user identification number and/or password is used only by the Authorized User to which it was issued. Licensee is solely responsible for any and all activities that occur under Licensee's account and all charges incurred from use of the Licensor Solution accessed with such user identification numbers and/or passwords. Licensee will restrict Authorized Users from sharing passwords. Licensee agrees to immediately notify Licensor of any unauthorized use of Licensee's account, any user identification number and/or password, or any other breach of security known to Licensee. Licensor shall have no liability for any loss or damage arising from Licensee's failure to comply with the terms set forth in this Section.

**3.2 Transaction Data Defined.** For purposes of this Agreement, the term "**Transaction Data**" means any and all sales, transaction, discount, promotional, customer and pricing information input into or generated by the Licensor Solution in connection with sales and other transactions at the Franchise Location. Licensee agrees that all right, title and interest in (i) the Transaction Data, (ii) other information input into the Licensor Solution by Licensee (collectively, "**Other Information**") and (iii) all intellectual property rights in each of the foregoing, belong to and are retained solely by MMPI. MMPI may access and use Transaction Data for any purposes relating to the Mountain Mike's Franchise system and in connection with the Franchise Agreement, including, but not limited to, the calculation of royalties and other payments thereunder. Licensee further agrees that Licensor shall have the perpetual, irrevocable worldwide right to collect, process, store and otherwise use the Transaction Data in connection with providing access to the Licensor Solution and other services under this Agreement and for any other purposes in Licensor's sole discretion.

**3.3 Security.** Licensor will deploy reasonable security precautions intended to protect against unauthorized access to any Transaction Data stored by Licensor in connection with the operation of the Licensor Solution.

**3.4 No Circumvention of Security.** Licensee shall not circumvent or otherwise interfere with any user authentication or security of the Licensor Solution. Licensee will immediately notify Licensor of any breach, or attempted breach, of security known to Licensee.

**3.5 No Guaranty of Security.** Licensee acknowledges that, notwithstanding the security precautions deployed by Licensor, the use of, or connection to, the Internet provides the opportunity for unauthorized third parties to circumvent such precautions and illegally gain access to the Licensor Solution and Transaction Data. Licensor cannot and does not guaranty the privacy, security, integrity or authenticity of any information transmitted over or stored in any system connected to or accessible via the Internet or otherwise or that any such security precautions will be adequate or sufficient.

**4. SUPPORT.** Provided Licensee has paid the support fees set forth in Exhibit A, Licensor will provide to Licensee the following support services described in this Section for the Licensor Solution (collective, "**Support**"). Licensor will provide to Licensee any regular updates that correct errors or fix bugs in or provide minor feature enhancements to the Licensor Solution that Licensor makes generally available to other licensees ("**Updates**"). Updates shall be provided to Client at such time as the Updates are made commercially available by Licensor. In addition, Licensor will provide Licensee with the ability for Licensee's designated support person (the "**Designated Employee**") to access an online trouble ticket system to report problems or issues with the Licensor Solution. Only the Designated Employee may report such problems or issues. Licensor will use reasonable efforts to respond to and address problems and issues raised by Licensee's Designated Employee consistent with efforts used by Licensor for its other Licensees during normal business hours. In addition, Licensor will make available to the Designated Employee a telephone number where the Designated Employee may report problems and issues with the Licensor Solution or ask questions regarding the Licensor Solution, in each case, during Licensor's normal business hours.

## 5. LICENSEE OBLIGATIONS.

**5.1 Hardware/Software.** Licensee is responsible for (i) obtaining, deploying, supporting and maintaining all computer hardware, third party software, and communications equipment needed to access and use the Licensors Solution; (ii) removing at its own expense any existing POS System components hardware and wiring that are not compatible with the Licensors Solution; (iii) contracting with third parties that provide services related to Licensee being able to access and use the Licensors Solution (e.g., ISP, telecommunications, etc.); (iv) paying all third-party fees and access charges incurred while accessing and using the Licensors Solution; (v) leaving all router and POS hardware components turned on and operational 24 hours per day each day of the week; and (vi) requiring all vendors to send information generated by the Licensors Solution to Licensors and MMPI at all times.

**5.2 Licensee Responsibility For Merchant Account Numbers and Daily Batch Processing.** Licensee is solely responsible for checking, assuring and maintaining the accuracy of any and all merchant account numbers and all daily batch processing of debit and credit cards. Licensee must check bank accounts for daily batch processing at a minimum of daily for the first week following POS System installation and a minimum of weekly thereafter. (Licensors recommends that Licensee verify and account for Credit and Debit card batch processing on a DAILY basis on an ongoing basis.) Licensors is not responsible for reimbursement of any funds that are not received by Licensee because Merchant Account Numbers are incorrect or Daily Batch Processing is not being processed to the licensee's bank account for any reason. Assurance of correct processing to the Licensee's bank account is the sole responsibility of the Licensee.

**5.3 Licensee Responsibility for Customer and Credit Card Chargebacks.** Licensee is solely responsible for all chargebacks to the business from any, and all, customer transactions, disputes or complaints, and/or any, and all, transaction processes. Licensors WILL NOT reimburse Licensee under any circumstances for chargebacks occurring in the normal course of operating the business.

**5.4 Licensee Responsibility for Credit Card Processing Errors and Disruptions.** Licensee is solely responsible for all duplicative or erroneous charges to the business resulting from credit card processing errors and disruptions. Licensors WILL NOT reimburse Licensee under any circumstances for such charges occurring in the normal course of operating the business.

**5.5 Operational Requirements.** Licensee agrees that it will use the Licensors Solution in a manner consistent with its obligations under the Franchise Agreement with MMPI, including but not limited to, to offer products and services specified by MMPI at the Franchise Location and online (if permitted), to comply with MMPI's standards specifications and operating procedures, to participate in all online, in-store and advertised marketing programs and

campaigns that MMPI establishes or approves, and to honor all offers, promotions, programs and coupons. Licensee expressly understands and agrees, however, that MMPI shall have no responsibility or liability to Licensee in connection with the provision or use of the Licensors Solution.

**5.6 Compliance with Laws.** Each party represents and warrants, during the term of this Agreement, that it is in compliance with and will comply with all applicable privacy and data protection laws and regulations applicable to its business and its performance of its obligations under this Agreement with respect to any Transaction Data uploaded or submitted to the Licensors Solution. Licensee acknowledges and accepts complete responsibility and liability for all Transaction Data. Licensee will indemnify, defend and hold harmless Licensors, its directors, officers, employees, agents, successors and assigns from any claims, actions, suits, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of or related to (i) Licensee's breach of this Section, (ii) the provision of Transaction Data or Other Information to Licensors or (iii) the storage, processing or display of Transaction Data or Other Information by the Licensors Solution.

**5.7 Conduct.** Licensee shall be solely responsible for its actions and the actions of its users while using the Licensors Solution. Licensee acknowledges and agrees (i) that Licensee is responsible for selecting appropriate remediation for, and resolving, any issues found on Licensee's network, hardware, third-party software, or third party services relied on by Licensee to access and use the Licensors Solution (collectively, "Licensee Items"); and (ii) that Licensors and MMPI are not liable for, or responsible to, remediate any issues found regarding Licensee Items. Licensee agrees: (a) to abide by all local, state, national, and international laws and regulations applicable to Licensee's use of the Licensors Solution, including without limitation the provision and storage of Transaction Data; (b) not to send or store data on or to the Licensors Solution which violates the rights of any individual or entity established in any jurisdiction; (c) not to upload in any way any information or content that contain viruses, worms, Trojan Horses, corrupted files, or any other similar software or programs, harmful code or data that may damage the operation of the Licensors Solution or another's computer or mobile device; (d) not to use the Licensors Solution for illegal, fraudulent, unethical or inappropriate purposes; (e) not to interfere or disrupt networks connected to the Licensors Solution or interfere with other ability to access or use the Licensors Solution; (f) not to distribute, promote or transmit through the Licensors Solution any unlawful, harmful, obscene, pornographic or otherwise objectionable material of any kind or nature; (g) not to transmit or post any material that encourages conduct that could constitute a criminal offense or give rise to civil liability; (h) not to interfere with another licensee's use and enjoyment of the Licensors Solution or another person or entity's use and enjoyment of similar services; (i) not to use the Licensors Solution in any manner that impairs the Licensors Solution, including without limitation the servers and networks on which



the Solution is provided; and (j) to comply with all regulations, policies and procedures of networks connected to the Licensor Solution and Licensor's service providers. Licensee acknowledges and agrees that Licensor neither endorses the contents of any Licensee communications, Transaction Data, or Other Information (as defined below) nor assumes any responsibility for any offensive material contained therein, any infringement of third party intellectual property rights arising therefrom or any crime facilitated thereby. Licensor may remove any violating content posted or stored using the Licensor Solution or transmitted through the Licensor Solution, without notice to Licensee. Notwithstanding the foregoing, Licensor does not and is not obligated to verify, authenticate, monitor or edit the Transaction Data or Other Information (as defined below) or any other information or data input into or stored in the Licensor Solution for completeness, integrity, quality, accuracy or otherwise. Licensee shall be responsible and liable for the completeness, integrity, quality, and accuracy of Transaction Data and Other Information input into the Licensor Solution. Licensor does not guarantee or make any promises regarding the accuracy or completeness of the Transaction Data, Other Information or any such other data or information. Licensor reserves the right to amend, alter, or modify Licensee's conduct requirements as set forth in this Agreement at any time. Licensor may deliver notice of such updated requirements to Licensee via e-mail or through the portal. Licensee's continued access to and use of the Licensor Solution following the issuance of such updated Licensee requirements shall constitute Licensee's acceptance thereof.

#### 5.8 Effect of Licensee Failure or Delay.

Licensor is not responsible or liable for any delay or failure of performance caused in whole or in part by Licensee's delay in performing, or failure to perform, any of its obligations under this Agreement. Specifically, but without limitation, Licensor is not responsible or liable for any delay or failure of performance caused in whole or in part by Licensee's delay in notifying, or failure to notify Licensor of any performance or service disruptions relating to the Licensor Solution.

#### 6. HARDWARE PURCHASES.

6.1 Licensee may purchase hardware and components from Licensor at the prices listed on Exhibit B of this Agreement. All orders are firm and non-cancelable and payable in advance (unless credit terms are agreed to by Licensor). All orders will be shipped FOB Licensor's warehouse and title and all risk of loss pass to Licensee upon delivery to the carrier or shipper. Licensee shall be responsible for all shipping costs to Licensee's Franchise Locations.

6.2 All such hardware and component purchased through Licensor is covered by the manufacturer's warranty only. LICENSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW), WITH RESPECT TO THE HARDWARE AND COMPONENTS PURCHASED FROM LICENSOR. ALL SUCH WARRANTIES ARE HEREBY

DISCLAIMED. LICENSOR EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY INCONSISTENT REPRESENTATIONS OR WARRANTIES MADE BY ANY PERSON INCLUDING LICENSOR EMPLOYEES OR REPRESENTATIVES, SHALL BE DISREGARDED BY THE LICENSEE AND SHALL NOT BE BINDING UPON LICENSOR.

6.3 Licensee is solely responsible for all costs associated with the purchase and installation of such third-party hardware and for the repair and maintenance of the same.

#### 7. CUSTOM PROGRAMMING.

7.1 Licensee understands that the Licensor POS System is designed to meet specific purposes of the MMPI franchise system and will not be modified on a location-by-location basis to meet the desires of individual Licensees. LICENSOR WILL NOT provide custom programming based on the request of any individual licensee unless such request is deemed to be in the best interest of the system as a whole. LICENSOR WILL NOT PROVIDE ANY SPECIAL-PROGRAMMING REQUESTS FOR LICENSEE BECAUSE LICENSEE WOULD LIKE THE SYSTEM TO OPERATE DIFFERENTLY TO MEET ITS INDIVIDUAL NEEDS. \_\_\_\_\_ (Licensee initial).

#### 8. FEES AND TAXES.

8.1 **Ongoing Fees.** Licensee agrees to pay the Ongoing fees and charges set forth in Exhibit A (collectively, "**Fees**") in accordance with the payment terms in this document. Unless otherwise set forth in this document, any subscription or ongoing fees will start on the actual Activation Date. All Ongoing Fees are quoted and payable in United States currency. Except as otherwise expressly provided in this Agreement, Ongoing Fees are non-refundable once paid. All Ongoing Fees may be adjusted one time per year

8.2 **ACH Payment.** Licensee hereby consents and authorizes Licensor to collect through the Automated Clearing House (ACH) banking process from Licensee's bank account all Fees that are owed under this Agreement to Licensor and to remit such payments to Licensor.

8.3 **Taxes.** The Fees are exclusive of all sales, use, value-added and other taxes or duties and Licensee shall pay all such taxes (excluding taxes based on Licensor's net income).

8.4 **Late Payments.** Any payment not received from Licensee by the due date shall accrue (except with respect to charges then under reasonable and good faith dispute), at the lower of one and a half percent (1.5%) of the outstanding balance per month (being 18% per annum), or the maximum rate permitted



by law, from the date such payment is due until the date paid. Licensee shall also pay all sums expended (including reasonable legal fees) in collecting overdue payments.

8.5 **Fee Increases.** Licensors may increase the fees for backup wireless internet in the event Licensee's data usage exceeds 2 gigabytes per month, or in the event the third party backup wireless internet provider increases its fees to Licensors. Licensors will use commercially reasonable efforts to notify Licensee if it becomes aware that such fee increase under this provision becomes necessary.

8.6 **Sale or Transfer.** If at any time during the life of this loan the location is sold or transferred to any other party, the full balance of the outstanding amount owed is due and payable.

## 9. OWNERSHIP.

9.1 **Licensors Solution.** As between Licensors and Licensee, all right, title and interest in the Licensors Solution, and any other Licensors materials furnished or made available hereunder, and all modifications and enhancements thereof, and all suggestions, ideas, and feedback proposed by Licensee regarding the Licensors Solution, including all copyright rights, patent rights and other intellectual property rights in each of the foregoing, belong to and are retained solely by Licensors or Licensors's licensors and providers, as applicable. Licensee hereby does and will irrevocably assign to Licensors all ideas, feedback, and suggestions made by Licensee to Licensors regarding the Licensors Solution (collectively, "**Feedback**") and all intellectual property rights in the Feedback. Licensee agrees to execute any documents or take any actions as may reasonably be necessary, or as Licensors may reasonably request, to perfect such ownership of the Feedback. To the extent any of the rights, title, and interest in and to Feedback or intellectual property rights therein cannot be assigned by Licensee to Licensors, Licensee hereby grants to Licensors an exclusive, royalty-free, transferable, irrevocable, worldwide, fully paid-up license (with rights to sublicense through multiple tiers of sublicensees) to fully use, practice and exploit those non-assignable rights, title and interest. Except for the express licenses granted in Section 2.1 (License Grant), there are no other licenses granted to Licensee, express, implied or by way of estoppel. All rights not granted in this Agreement are reserved by Licensors.

## 10. TERM AND TERMINATION.

10.1 **Term; Renewal.** This Agreement commences on the Effective Date and this Agreement shall continue for the initial term set forth on this document. Thereafter, this Agreement will automatically renew for additional one year (1) year terms. Either party may terminate this Agreement effective at the end of the initial term or any renewal term by providing the other party at least three (3) months prior written notice.

10.2 **Termination Upon Termination of Franchise Agreement.** This Agreement and all access to the Licensors Solution shall terminate and cease as of the effective date of termination of the Franchise Agreement.

10.3 **Termination for Breach; Insolvency.** Either party may terminate this Agreement upon written notice if the other party has breached a material term of this Agreement and has not cured such breach within thirty (30) days of receipt of written notice from the non-breaching party specifying the breach. Either party may terminate this Agreement if (i) the other party has a receiver appointed for it or its property; (ii) the other party makes an assignment for the benefit of creditors; (iii) any proceedings are commenced by, for or against the other party under any bankruptcy, insolvency or debtor's relief law; or (iv) the other party is liquidated or dissolved.

10.4 **Failure to Pay/Licensee Conduct.** Licensors may suspend or terminate Licensee's access to the Licensors Solution, at Licensors's sole option, with notice to Licensee, if: (i) any payment is delinquent by more than ten (10) days after notice of late payment from Licensors and such suspension or termination shall continue until payment of all amounts owed are received, or (ii) if Licensee breaches Section 5.3 (Compliance with Laws) and such suspension or termination will continue until the applicable issue is resolved.

10.5 **Effect of Termination.** Licensors shall not be liable to Licensee or any third party for Licensors's suspension or termination of Licensee's access to, or right to use, the Licensors Solution as such termination or suspension is authorized under this Agreement. Upon termination or expiration of this Agreement, Licensee will be obligated to pay the balance due on any amounts owed to Licensors accruing during the term of this Agreement. Upon the effective date of expiration or termination of this Agreement for any reason, whether by Licensee or Licensors, (i) Licensee's right to access and use the Licensors Solution shall immediately cease, (ii) Licensee's access to the Licensors Solution will terminate and (iii) Licensee shall cease accessing and using the Licensors Solution and Licensors may take such actions to preclude such access and use.

10.6 **Survival.** The following Sections of this Agreement shall survive the termination of this Agreement: Sections 6 (Fees and Taxes), 9 (Ownership), 10 (Term and Termination), 11 (Confidentiality), 13 (Warranty Disclaimer), 14 (Indemnification), 15 (Limitation of Liability), and 16 (General).

## 11. CONFIDENTIALITY.

11.1 **Obligations.** Each of the parties agrees to maintain in confidence any non-public information of the other party, whether written or otherwise, disclosed by the other party in the course of the performance of this Agreement that a party knows or reasonably should know is considered confidential by

the disclosing party ("**Confidential Information**"). The parties hereby agree that Licensors' Confidential Information includes the terms and conditions of this Agreement, and any discussions related thereto as well as the Licensors Solution. The receiving party shall not disclose, use, transmit, inform or make available to any entity, person or body any of the Confidential Information, except as a necessary part of performing its obligations hereunder, and shall take all such actions as are reasonably necessary and appropriate to preserve and protect the Confidential Information and the parties' respective rights therein, at all times exercising at least a reasonable level of care. Each party agrees to restrict access to the Confidential Information of the other party to those employees or agents who require access in order to perform hereunder, and, except as otherwise provided, neither party shall make Confidential Information available to any other person or entity without the prior written consent of the other party.

**11.2 Exclusions.** Confidential Information shall not include any information that is (i) already known to the receiving party at the time of the disclosure; (ii) publicly known at the time of the disclosure or becomes publicly known through no wrongful act or failure of the receiving party; (iii) subsequently disclosed to the receiving party on a non-confidential basis by a third party not having a confidential relationship with the other party hereto that rightfully acquired such information; or (iv) communicated to a third party by the receiving party with the express written consent of the other party hereto. A disclosure of Confidential Information that is legally compelled to be disclosed pursuant to a subpoena, summons, order or other judicial or governmental process shall not be considered a breach of this Agreement; provided the receiving party provides prompt notice of any such subpoena, order, or the like to the other party so that such party will have the opportunity to obtain a protective order or otherwise oppose the disclosure.

**11.3 Destruction or Return of Confidential Information.** Upon expiration or termination of this Agreement for any reason, each party shall promptly return to the other party, or destroy, as the parties agree, all copies of the other party's Confidential Information. All copies, notes or other derivative material relating to the Confidential Information shall be promptly retrieved or destroyed, as agreed, and no such material shall be retained or used by the receiving party in any form or for any reason.

**12. UPTIME.** Licensors will use commercially reasonable efforts to have the Licensors Solution available to Licensee 99.5% of the time, measured monthly, excluding downtime for scheduled maintenance and force majeure events. In the event that the Licensors Solution is not available to Licensee, Licensee will notify Licensors and Licensors will use commercially reasonable efforts to solve problems or issues with the Licensors Solution to enable Licensee to access the Licensors Solution. The foregoing shall be Licensors' sole and exclusive obligation and Licensee's sole and exclusive remedy in the event that the Licensors

Solution is not available to Licensee. Licensors will not have any obligations to Licensee in the event that the Licensee's inability to access the Licensors Solution is the result of a failure or problem with equipment, software or services owned, operated or provided by Licensee or by any third party.

**13. WARRANTY DISCLAIMER.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LICENSORS AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ALL, AND MAKE NO, WARRANTIES (WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE ARISING IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE), INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS. LICENSORS DOES NOT WARRANT THAT THE LICENSORS SOLUTION WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSORS SOLUTION WILL BE UNINTERRUPTED OR ERROR-FREE.

#### **14. INDEMNIFICATION.**

**14.1 Licensors.** Licensors shall defend, or at its option, settle, any third party claims, or suits, against Licensee, based on a claim that the Licensors Solution infringes any patent issued, as of the Effective Date, or any copyright or trade secret, and Licensors shall pay any final judgement entered against Licensee, in any such claim or suit, or settlement amount agreed to by Licensors, provided (a) Licensors is promptly notified by Licensee in writing of such claim or suit; (b) Licensors or its designee has sole control of such defense and or settlement and (c) Licensee gives all information and assistance requested by Licensors or such designee at Licensors' expense. To the extent that the use of the Licensors Solution is enjoined or if Licensors believes there is a likelihood of an injunction, Licensors may at its option either (i) procure for Licensee the right to use the Licensors Solution, the Licensors Library or the Licensors Widget, (ii) replace the Licensors Solution with other suitable solution, or (iii) terminate this Agreement and refund to the Licensee, the Fee(s) paid by Licensee during the three (3) month period prior to such termination. Licensors shall have no liability under this Section or otherwise to the extent a claim or suit is based upon the modification of the Licensors Solution by any person or entity other than Licensors or the unauthorized use of the Licensors Solution in combination with software or hardware not provided by Licensors. The terms in this Section shall be Licensee's sole and exclusive remedy in connection with any third party claims.

**14.2 Licensee.** Licensee shall defend, or at its option, settle, any third party claims or suits against Licensors based on a claim that the Transaction Data or any transactions by Licensee using the Licensors Solution infringe or misappropriate such third party's intellectual property rights, or any third party claims based on Licensee's (a) negligence or willful misconduct; (b) use of the Licensors Solution in a manner not authorized by this Agreement; (c) use of the Licensors Solution in combination with data, software, hardware, equipment, or technology not provided by Licensors or authorized by Licensors in writing; or (d) modifications to the

Licenser Solution not made by Licenser (except claims for which Licenser is to provide indemnification under Section 14.1). Licensee shall pay any final judgment entered against Licenser in any such claim or suit or settlement amount, provided that Licensee may not settle any third party claim against Licenser unless Licenser consents to such settlement, and further provided that Licenser will have the right, at its option, to defend itself against any such third party claim or to participate in the defense thereof by counsel of its own choice.

## 15. **LIMITATION OF LIABILITY.**

15.1 **Limitation on Direct Damages.** IN NO EVENT SHALL LICENSOR'S OR MMPI'S AGGREGATE LIABILITY, IF ANY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE FEES PAID BY LICENSEE IN THE TWELVE (12) MONTH PERIOD PRIOR TO CLAIM, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, LESS, IN ALL CIRCUMSTANCES, ANY AMOUNTS PREVIOUSLY PAID (AS OF THE DATE OF SATISFACTION OF SUCH LIABILITY) BY LICENSOR TO LICENSEE IN SATISFACTION OF ANY LIABILITY UNDER THIS AGREEMENT.

15.2 **Waiver of Consequential Damages.** IN NO EVENT SHALL LICENSOR OR MMPI OR THEIR SUPPLIERS BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF DATA OR LOSS OF PROFITS, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A LIMITED REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE.

15.3 **Essential Purpose.** Licensee acknowledges that the terms in this Section 15, are essential bases of the bargain described in this Agreement and that, were Licenser to assume any further liability, the Fees would out of necessity, be set much higher.

16. **GENERAL.** Licenser may subcontract to third parties some or all of Licenser's obligations under this Agreement. All notices to a party shall be in writing and sent to the addresses specified in above or such other address as a party notifies the other party, and shall be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or email; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement may not be assigned or transferred by Licensee, including without limitation, by merger, the operation of law or otherwise, without

Licenser's prior written consent. Any assignment in derogation of the foregoing is null and void. Licenser may freely assign or transfer this Agreement. This Agreement shall inure to the benefit of each party's successors and permitted assigns. This Agreement, together with all addenda, schedules, and exhibits, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements and understandings between the parties relating to the subject matter hereof. The failure of Licenser to require performance by Licensee of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by Licenser of a breach of any provision hereof be taken or held to be a waiver of the provision itself. Except as otherwise provided herein, this Agreement may be amended or superseded only by a written instrument signed by both parties. This Agreement shall be governed by the laws of the state of California, excluding its conflict of laws rules. Any provision of this Agreement held to be unenforceable shall not affect the enforceability of any other provisions of this Agreement. Neither party shall be in breach of this Agreement if its failure to perform any obligation under this Agreement is caused by events or conditions beyond that party's reasonable control, including, without limitation, acts of God, civil commotion, war, strikes, labor disputes, third-party Internet service interruptions or slowdowns, vandalism or "hacker" attacks, acts of terrorism or governmental demands or requirements ("**force majeure events**"). Pre-printed terms and conditions on or attached to any Licensee purchase order or other documents shall be of no force or effect.

17. **MARKETING.** Licenser may use Licensee's name as part of a general list of licensees and may refer to Licensee as a user and licensee of the Licenser Solution in its general advertising and marketing materials.

-----  
By signing below, you represent that you are authorized to sign on behalf of the applicable party.

Licensee:\_\_\_\_\_

Licensor: Adora POS,LLC\_\_\_\_\_

Name:\_\_\_\_\_

Name: Kevin Wendland\_\_\_\_\_

Title:\_\_\_\_\_

Title: President\_\_\_\_\_

Signature:\_\_\_\_\_

Signature:\_\_\_\_\_

**EXHIBIT A**  
**ADORA/MMP Pricing Agreement**

**Target Activation Date:** \_\_\_\_\_.

**Description of the Licensor Solution: Adora POS web-based Software Service version 1.0**

**Fees and Payment Terms:**

**ADORA Set Up Install Fee** – includes one-time ADORA POS installation \$6,500

**ONGOING FEES:**

_____ Online Ordering Fee*	1-50 orders \$1.00 per order per month 51-150 orders \$0.75 per order per month 151+ orders \$0.50 per order per month
_____ Software Service Fee**	\$110.00 per month
_____ Backup Wireless Internet	\$ 15.00 per month

\* Effective December 1, 2020, Online Ordering Fees shall be capped at a total of \$640 per month, per individual Franchise Location. All other fees, including fees for monthly support, backup internet, driver app and loans shall be continued at the current rates and are not included in this cap on Online Ordering Fees.

\*\*Software Service Fee covers software code updates and basic support as outlined in Section 4. It does not include menu pricing, coupons or coupon updates, employee data or other in-store data. In-store data is managed in the location by the franchisee/owner/manager. Customer is responsible for network wiring, termination and jacks. Both power and internet connection must be provided to all locations of ADORA POS hardware. If power, internet and wiring is not compliant ADORA reserves the right to re-schedule and bill the Franchisee appropriate travel fees and expenses incurred in aborted install at a minimum \$500 per abort. Applicable rates will apply beyond the \$500 minimum. Installations with less than 2weeks' notice will be charged a minimum \$1500 per event.

**Other Ongoing Fees-**

_____ Travel time	\$60.00per hour
_____ Mileage	Applicable IRS rate
_____ Overnight	Local Hotel Rate
_____ In-store service	\$120.00 per hour
_____ Hardware removal prior to installation	\$500.00

____Switching Internet Service Provider	\$200.00
____Shipping	Per UPS Market Rate

**Payment Terms:**

Initial deposit for the cost of the hardware will be debited by ACH from the Licensee's bank account 72 hours in advance of installation date. Licensee to receive 10% discount on set-up if balance is paid in full concurrent with hardware deposit ACH.

**Initial Term:** 5 years commencing on the actual Activation Date.

## **EXHIBIT B**

### **Support Level Addendum**

**1. SERVICE AGREEMENT.** The following detailed service parameters are the responsibility of Adora in the ongoing support of the Adora POS System agreement between MMP and Adora.

1.1 Service Scope. The following services are covered by this addendum:

- (a) manned telephone support;
- (b) monitored email support;
- (c) remote assistance using a remote desktop solution; and
- (d) planned or emergency onsite assistance (extra costs apply).

1.2 Customer Requirements. MMP responsibilities and/or requirements in support of this addendum include:

- (a) payment for all support costs at the agreed interval;
- (b) reasonable availability of franchisee or corporate employee when resolving a service related incident or request;
- (c) network and in-store hardware that is in good working order and within the Adora hardware standards; and
- (d) Internet connectivity of an acceptable level to meet Adora published standards.

1.3 Service Provider Requirements. Adora responsibilities and/or requirements in support of this addendum include:

- (a) meeting response times associated with service related incidents;

**2. SERVICE MANAGEMENT.** Effective support of the Adora POS System is a result of maintaining consistent service levels. The following sections provide relevant details on service availability, monitoring of in-scope services and related components.

2.1 Support Availability. Adora shall provide MMP and each MMP Franchisee the ability for MMP's and each MMP Franchisee's designated support personnel (the "Designated Employees") to access an online trouble ticket system to report problems or issues with the Adora POS System as set forth below:

- (a) telephone support: for stores operating in the PST, CST, and EST time zones, 8:30 am to 8:30pm with Critical POS Functions (internet, order entry, printing, credit card processing) until 11:00 pm in accordance with the relevant time zone, 365 days

a year. "Critical POS Functions" shall be defined as outages at a franchisee store level related to order entry, printing and other functionality that enables a store to make or complete transactions and sell and account for product sales.

(b) MMP understands that ADORA cannot control internet or credit card processing outages. ADORA will take precautionary action to minimize downtime (back up internet installation) and calls received out of support hours will be forwarded to a phone number and best efforts will be made to answer / action the call, however there will be a backup answer phone service;

(c) email support: 8:30 am Pacific Time to 8:30 pm Pacific Time, 365 days a year;

(d) emails received outside of office hours will be collected, however no action can be guaranteed until the next working day; and

(e) onsite assistance guaranteed within twenty-four (24) hours during the business week at the expense of the customer.

Adora shall respond to and address problems and issues raised by Designated Employees consistent with efforts used by Adora for its other subscribers during normal business hours.

2.2Support Requests and Resolution. In support of services outlined in this addendum, Adora will respond to service related incidents within sixty (60) minutes.

2.3Remote Assistance. Remote assistance will be provided in-line with the above timescales dependent on the priority of the support request





### 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	April 23, 2025
Indiana	April 23, 2025
Maryland	Pending
Virginia	Pending
Washington	Pending
Wisconsin	April 30, 2025

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 certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mountain Mike's Pizza, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Mountain Mike's Pizza, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit F.

The franchisor is Mountain Mike's Pizza, LLC, located at 110 Theory, Suite 150, Irvine, CA 92617. Its telephone number is (949) 200-7932.

The franchise sellers for this offering are Robert Campos, 110 Theory, Suite 150, Irvine, CA 92617, (949) 200-7932, \_\_\_\_\_ *{insert name and contact information for Development Agent and its principals/employees}*, and: \_\_\_\_\_ *{complete only if applicable}*.  
\_\_\_\_\_ *{complete only if applicable}*.

Issuance Date: April 23, 2025

MMP authorizes the respective state agents identified on Exhibit F to receive service of process for it in the particular states. I received a disclosure document from Mountain Mike's Pizza, LLC dated as of April 23, 2025, that included the following Exhibits:

Exhibit A	Financial Statements	Exhibit G	Operations	Manual
Exhibit B	Franchise Agreement		Table of Contents	
Exhibit B-1	Vet Fran Incentive	Exhibit H	List of Franchisees	
Addendum to Franchise Agreement		Exhibit I	Bank Account Debit	
Exhibit B-2	State Addenda to	Authorization		
Franchise Agreement		Exhibit J	List of Franchisees Who	
Exhibit C	Franchisor Lease	Left System		
Addendum		Exhibit K	Renewal Rider to	
Exhibit D	Principal's Agreement	Franchise Agreement		
Exhibit E	Area Development	Exhibit L	Franchisee	
Agreement		Representations		
Exhibit F	List of State	Exhibit M	Adora Point-of-Sale	
Agencies/Agents for Service of Process		System Service (SaaS) Agreement		

\_\_\_\_\_  
Date

***(Date, Sign, and Return to Us)***

\_\_\_\_\_  
Prospective Franchisee [Print Name]

\_\_\_\_\_  
Prospective Franchisee [Signature]

*After signing and dating the Receipt, you may return it to us (to the attention of Franchising by sending us the original via overnight delivery or regular mail to our address above or by emailing a scanned copy to [franchising@mountainmikespizza.com](mailto:franchising@mountainmikespizza.com).*

## RECEIPT

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

If Mountain Mike's Pizza, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Mountain Mike's Pizza, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit F.

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Agreement		Representations		
Exhibit F	List of State	Exhibit M	Adora Point-of-Sale	
Agencies/Agents for Service of Process		System Service (SaaS) Agreement		

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee [Print Name]

\_\_\_\_\_  
Prospective Franchisee [Signature]

***(Date, Sign, and Keep for Your Own Records)***