

FORM A - UNIFORM FRANCHISE REGISTRATION APPLICATION

FEE: \$400.00

APPLICATION FOR (Check only one):

INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES

RENEWAL APPLICATION OR ANNUAL REPORT

PRE-EFFECTIVE AMENDMENT

POST-EFFECTIVE AMENDMENT

1. Full legal name of Franchisor:

SB Acquisition, LLC

2. Name of the franchise offering:

Pizza Pit

3. Franchisor's principal business address:

5706 US Highway 51
McFarland, WI 53558

4. Name and address of Franchisor's agent in the State of Wisconsin authorized to receive process.

Robert Bisbee
5706 US Highway 51
McFarland, WI 53558

5. The states in which this application is or will shortly be on file:

Wisconsin

6. Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed.

Patrick L. Breen
Boardman & Clark LLP
1 South Pinckney Street, Suite 410
Madison, WI 53703
608-283-1765 (telephone)
608-283-1709 (facsimile)
pbreen@boardmanclark.com

CERTIFICATION

I certify and swear under penalty of law that I have read and know the contents of this application, including the Franchise Disclosure Document with an issuance date of January 2, 2025 attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Signed at Madison, Wisconsin, December 15, 2025.

SB ACQUISITION, LLC

By: 
Robert Bisbee, Member


STATE OF WISCONSIN

) ss.

COUNTY OF DANE

Personally appeared before me this 15th day of December, 2025, the above-named Robert Bisbee, to me known to be the person who executed the foregoing certification as a Member of SB Acquisition, LLC, and being first duly sworn, stated under oath that the application to which said certification is a part, and all exhibits submitted herewith, are true and correct.




Notary Public, State of Wisconsin
My commission is permanent. expires 5.1.28

Form B - Franchisor's Costs and Sources of Funds

FRANCHISOR'S COSTS AND SOURCES OF FUNDS

1. Disclose franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchise, including real estate, improvements, equipment, inventory, training and other items stated in the offering:

a.	Start-Up		
	Site selection assistance	10 hours	
	Lease issues	2 hours	
	Floor planning of new store	15 hours	\$ 1,256.00
b.	General Operations		
	Staff hiring planning	5 hours	
	Management hiring assistance	5 hours	
	Policies and benefits	4 hours	
	Outlet opening plan	30 hours	
	Staff assignments/project delegation	20 hours	\$ 2,119.00
c.	Marketing		
	General market investigation	20 hours	
	Location media investigation	30 hours	
	New store marketing planning	30 hours	
	Advertising materials development	60 hours	
	Training planning/preparation	4 hours	
	Marketing training	10 hours	\$ 3,682.00
d.	Field Operations		
	Training planning/preparation	5 hours	
	Production support staff training	30 hours	
	Store set up	40 hours	
	Onsite staff training	40 hours	\$ 2,732.00
e.	Training		
	Training planning/preparation	15 hours	
	Franchise management orientation	10 hours	
	Store operations training	170 hours	
	Classroom training	100 hours	
	Store set up	30 hours	
	Onsite staff training	40 hours	\$ 9,403.00

f.	Commissaries		
	Training planning/preparation	10 hours	
	Management training	30 hours	
	Inventory development/order	5 hours	
	Equipment ordering	15 hours	
	On site staff training	30 hours	
	Store set up	10 hours	\$ 2,375.00
g.	General		
	Food wasted in training	\$1,500.00	
	Packaging wasted in training	\$ 100.00	\$ 1,600.00
h.	Print Materials		
	Management training books		
	Production staff training books		
	Outlet workstation posting materials		
	Operations manual		
	Advertising Resource manual		
	Commissary manual		
	Planning books for owner & SB support staff		
	Blueprints		
	Equipment list		\$ 810.00
i.	Miscellaneous Staff Mileage and Expenses		\$ 675.00
	Total Estimated Costs for Performing Pre-Opening Obligations:		\$24,652.00

2. State separately the sources of all required funds:

Initial franchise fees and current assets.

Form C - Uniform Franchise Consent to Service of Process

UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

SB Acquisition, LLC (a limited liability company organized under the laws of the State of Wisconsin) irrevocably appoints the Department of Financial Institutions and the successors in office, its attorney in the State of Wisconsin for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of Wisconsin, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within Wisconsin by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of Wisconsin and had lawfully been served with process in Wisconsin. It is requested that a copy of any notice, process or pleading served pursuant to this consent be mailed to:

Robert Bisbee
5706 US Highway 51
McFarland, WI 53558

and

Patrick L. Breen, Esq.
Boardman & Clark LLP
P.O. Box 927
1 South Pinckney Street, Suite 410
Madison, WI 53701

Dated: December 15, 2025

SB ACQUISITION, LLC

By: 

Robert Bisbee, Member

(NO SEAL)

FRANCHISE SELLER DISCLOSURE FORM

1. List who will solicit, offer or sell franchises for the Franchisor in this state:
 - a. Name: Robert Bisbee
 - b. Business address and telephone number: 5706 US Highway 51, McFarland, WI 53558; 608-221-6777
 - c. Present employer: SB Acquisition, LLC
 - d. Present title: Member, President and CEO
 - e. Employment during the past five years. For each employment, state the name of the employer, position held, and beginning and ending dates:

SB Acquisition, LLC - Member -01/01/2007 to present

2. State whether the person identified in 1 above:

- a. Has an administrative, criminal or material civil action pending against that person alleging a violation of franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices, or any comparable allegations?

Answer: No

- b. Had during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge; or been held liable in a civil action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?

Answer: No

- c. Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to a franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law.

Answer: No

Form D - Franchise Seller Disclosure Form

FRANCHISE SELLER DISCLOSURE FORM

1. List who will solicit, offer or sell franchises for the Franchisor in this state:
 - a. Name: Steve Meier
 - b. Business address and telephone number: 5706 US Highway 51, McFarland, WI 53558; 608-221-6777
 - c. Present employer: SB Acquisition, LLC
 - d. Present title: Member, Vice President and Director of Franchise Operations
 - e. Employment during the past five years. For each employment, state the name of the employer, position held, and beginning and ending dates:

Five Star Enterprises of Wisconsin, LLC – Member/President-
2012 to present

SB Acquisition, LLC – 1/1/20 to present

2. State whether the person identified in 1 above:
 - a. Has an administrative, criminal or material civil action pending against that person alleging a violation of franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices, or any comparable allegations?

Answer: No
 - b. Had during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge; or been held liable in a civil action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?

Answer: No
 - c. Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to a franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law.

Answer: No



Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

2901 Corporate Cir, Flower Mound, Texas 75028

Cell: 214-200-5434

Mmetwally@metwallycpa.com

CONSENT

Metwally CPA PLLC consents to the use in the Franchise Disclosure Document issued by SB Acquisition, LLC ("Franchisor") on January 02, 2026, as it may be amended, of our report dated April 10, 2025, relating to the financial statements of Franchisor for the year ending December 31, 2024 and 2023.

Metwally CPA PLLC

Metwally CPA PLLC

December 11, 2025

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed below for information about the franchisor or about franchising in your state:

Wisconsin Department of Financial Institutions
Division of Securities
North Tower, 4th Floor
Hill Farms State Office Building
4822 Madison Yards Way
Madison, WI 53705-9100
608-266-2139

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN DANE COUNTY, WISCONSIN. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN WISCONSIN THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT WISCONSIN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See below for state effective dates.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Wisconsin

January 2, 2026

INFORMATION FOR PROSPECTIVE FRANCHISEE
REQUIRED BY THE FEDERAL TRADE COMMISSION

SB Acquisition, LLC d/b/a Pizza Pit
(A Wisconsin Limited Liability Company)
5706 US Highway 51
McFarland, WI 53558

The effective date of this Franchise Disclosure Document is January 2, 2026.

To protect you, we have required your Franchisor to give you this information. We have not checked it, and do not know if it is correct. It should help you make up your mind. Study it carefully. While it includes some information about your contract, do not rely on it alone to understand your contract. Read all of your contract carefully. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that has been left out, you should let us know about it. It may be against the law. There may also be laws on franchising in your state. Ask your state agencies about them.

FEDERAL TRADE COMMISSION
Washington, D.C. 20580



FRANCHISE DISCLOSURE DOCUMENT
SB Acquisition, LLC d/b/a Pizza Pit
(A Wisconsin Limited Liability Company)
5706 US Highway 51
McFarland, WI 53558
608-221-6777

SB Acquisition, LLC d/b/a Pizza Pit (“Pizza Pit”) offers to a prospective franchisee (“you”), the right to own and operate a food service unit (“Pizza Pit Unit”) offering pizza and other food items to the public.

The Initial Franchise Fee is \$25,000, regardless of the type of Pizza Pit Unit. The estimated initial investment required per Pizza Pit Unit, including the initial franchise fee, is estimated to be between \$204,280 and \$362,240, depending upon the type of unit. This sum does not include rent for the business location.

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 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 Pizza Pit at the address and telephone number at the top of this page.

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 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.

This disclosure document was issued effective January 2, 2026.

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ITEM 1. THE FRANCHISOR, AND ANY PARENTS, ITS PREDECESSOR AND AFFILIATES

SB Acquisition, LLC d/b/a Pizza Pit (“Pizza Pit”) is a Wisconsin Limited Liability Company organized on 01/05/00 and does business under the trade name of Pizza Pit. Pizza Pit maintains its principal business address at 5706 US Highway 51, McFarland, Wisconsin 53716. Its registered agent is Robert Bisbee, who is located at 6306 Monona Drive, Monona, Wisconsin 53716. To simplify the language in this offering circular, “Pizza Pit” means SB Acquisition, LLC, d/b/a Pizza Pit, and “You” means the person who buys the franchise.

Predecessors and Affiliates. On January 28, 2000, Pizza Pit acquired from M&I Bank Of Madison (“M&I”) in a disposition under sec. 409.504, Wis. Stats., certain of the assets of Pizza Pit, Ltd. (“PPL”) and Pizza Pit Investment Enterprises, Inc. (“PPIE”) in which M&I had been granted a security interest. These assets included the contract rights of PPIE under Pizza Pit franchise agreements in which M&I had foreclosed its security interest. They also included the rights to the trade name and service mark “Pizza Pit” and other trade names, trademarks and service marks previously owned by PPL and PPIE. Pizza Pit shares no common ownership or affiliation with PPL or PPIE. Pizza Pit is not owned or affiliated with any other limited liability company, corporation or partnership.

In May 2012, Pizza Pit acquired the existing franchise agreements of Extreme Franchise Corporation and a license to use the trademarks and other intellectual property owned by James E. Meyer, Pizza Extreme Corporation and/or Extreme Franchise Corporation.

Pizza Pit’s Business and the Franchise. Pizza Pit offers franchises for the operation of food service units offering pizza and related food products pursuant to a uniform system and under the mark “Pizza Pit” and other trademarks, service marks and commercial symbols (collectively, the “Marks”). The product and service is marketed to the general public through four different types of units:

Regional Mall Units. This unit features pizzas, sandwiches, beverages, pizza-by-the-slice, pre-packaged salads, chicken products, french fries and appetizers primarily for shoppers and mall employees. It also offers catering services. The unit requires approximately 1800 square feet, including a dining area, self-service counters and delivery service using the rear exit of the unit.

Freestanding Unit. This unit features a full menu of pizzas, sandwiches, beverages, prepackaged salads, chicken products, french fries and appetizers. It also offers catering services. The unit requires between 1900 and 3600 square feet, including a dining room in which the food is served by waiters and waitresses or by a self-service counter. The delivery service uses the rear exit of the unit.

Merged Business Unit. This unit features pizzas, sandwiches, beverages, pizza-by-the-slice, chicken products, french fries, appetizers and catering services. The unit requires between approximately 700 and 3,600 square feet and typically shares a retail premises with a compatible business. Examples of compatible businesses include bowling centers, convenience stores and informal eating establishments offering spirits and a limited food menu. This type of unit typically offers delivery and carry-out service and in some instances has a self-service dining area and/or a separate room for birthday parties.

Strip Center Unit. This unit offers pizzas, sandwiches and beverages through the original Pizza Pit concept relying on delivery and carry-out service, and, at times, a dining area. A minimum of 1200 square feet of space is necessary to operate this unit. Chicken products, french fries, appetizers and catering services also are offered from these units.

Prior Business Experience. Pizza Pit has offered Pizza Pit franchises since May 1, 2000. It does not offer any other franchises and has not offered any other franchises in the past. On January 28, 2000, it acquired the contract rights of the franchisor under Pizza Pit franchise agreements between PPIE, as franchisor, and various franchisees. Pizza Pit has 9 operational Pizza Pit franchises as of December 31, 2025.

Related Information. Pizza Pit Units offer their products and services to the general public and compete with other businesses providing similar products and services, including national and regional chains and locally-owned establishments.

There are no regulations specific to operating a Pizza Pit Unit although you must comply with all local, state and federal health and sanitation laws in operating your Pizza Pit Unit. There may be other laws that apply to your business and you should investigate these laws.

ITEM 2. BUSINESS EXPERIENCE

Member: Robert Bisbee

Robert Bisbee has been employed by Pizza Pit since approximately January 1, 2007. He has been a member of Pizza Pit since May 1, 2008. Between December 2005 and June 2010, he also was a member and employed by G Biz LLC.

Member: David Bisbee

David Bisbee is the sole member of 5 Willows LLC which, in turn, is a member of Pizza Pit. He has directly or indirectly been a member of Pizza Pit since its formation on January 5, 2000. From 1981 to the present, he has also been an officer and director of Rolling Carpet, Inc., a McFarland, Wisconsin-based company that presently is a franchisor of retail home furnishings store franchises. Prior to March 1998, Rolling Carpet, Inc. owned and operated retail home furnishing stores in southern Wisconsin. Since 1988, Mr. Bisbee has also been an officer and director of Biz, Inc., which, prior to March 1988, also owned and operated retail home furnishings stores in southern Wisconsin. During the past five years, Mr. Bisbee has also been self-employed as a real estate developer.

Member: Steve Meier

Steve Meier became a member of Pizza Pit effective January 1, 2020 and an employee of Pizza Pit in early 2020. He also is the sole member of Five Star Enterprises of Wisconsin, LLC, which presently operates Pizza Pit franchises in Lake Mills, Wisconsin and on Odana Road in Madison, Wisconsin and formerly operated Pizza Pit franchises in Cambridge, Wisconsin and Sun Prairie, Wisconsin.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this offering circular.

ITEM 4. BANKRUPTCY

Neither Pizza Pit nor any of the persons listed in Item 2 above has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 5. INITIAL FEES

You must pay the following initial franchise fee upon your execution of the Individual Unit Agreement:

- Regional Mall Unit	\$25,000
- Freestanding Unit	\$25,000
- Merged Business Unit	\$25,000
- Strip Center Unit	\$25,000

These initial franchise fees are uniform in all cases except when Pizza Pit, in its sole discretion, determines that all or part of the initial franchise fee should be waived because you are either already qualified to operate a Pizza Pit Unit or other expenses usually incident to establishing a Pizza Pit Unit are not present. Examples include the

granting of a franchise to a current or former employee or other person with considerable experience in the franchised business or a person or corporation wishing to affiliate its current pizza operation with the Pizza Pit business. Pizza Pit may waive or reduce the initial franchise fee in certain cases on terms acceptable to Pizza Pit in its sole discretion.

Your initial franchise fee is not refundable except that (1) your initial franchise fee will be returned if Pizza Pit rejects you within the 15-day period provided in the Individual Unit Agreement for initial evaluation of you; (2) your initial franchise fee, less \$5,000, will be returned if the Agreement is cancelled due to your failure to obtain a location satisfactory to Pizza Pit within 120 days of signing of the Agreement; and (3) one-half of your initial franchise fee will be returned if the Individual Unit Agreement is terminated due to your inability to satisfactorily complete the training program, as determined in Pizza Pit's sole discretion.

As described in Items 7 and 8 of this offering circular, you may purchase certain inventory and supplies from any approved supplier, including Pizza Pit. The cost of your opening inventory and supplies ranges between approximately \$4,000 and \$8,000. Used equipment and signs are infrequently available from Pizza Pit. Any initial payments for used equipment or signs may range between \$100 and \$35,000. These amounts are based on information as of the effective date of this offering circular.

[The remainder of this page is intentionally left blank.]

ITEM 6. OTHER FEES

NAME OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Continuing services and royalty fee	4.25 % of total gross receipts (2)	Wednesdays on total gross receipts for prior week (3)	1.5% interest per month or maximum lawful rate, whichever is less, must be paid on late continuing service and royalty fee
Advertising fee	1.0% of total gross receipts (2)	Wednesdays on total gross receipts for prior week (3)	1.5% interest per month or maximum lawful rate, whichever is less, must be paid on late advertising fee
Audit expense	Amount of any understatement, plus all expenses related to audit if understatement is 2% or more of original amount reported	Immediately upon receipt of invoice	Interest on understatement of lesser of 1.5% per month or maximum lawful rate also must be paid
Transfer fee	Amount determined by Pizza Pit. Amount must be paid by seller	Before Pizza Pit approval	Amount may relate to Pizza Pit's expenses associated with transfer
Training fees	\$30 - \$40 per hour, per employee, plus travel and room and board expenses	As incurred	Pizza Pit is not obligated by agreement to provide these services
Charges associated with pre-opening services	Typically \$30.00 per hour per person plus all related expenses	As incurred	Pizza Pit is not obligated by Agreement to provide these services
Interest on late payments	Lesser of 1.5% per month or highest rate permitted by applicable law	As incurred	Payable on all overdue amounts
Temporary operating fee	No less than \$250 per day	As incurred	Plus all travel, room, board and other reasonable expenses

(1) All fees are payable to Pizza Pit and are not refundable.

(2) Gross receipts means the total of all sales of merchandise and all business transacted in, on, upon and from the premises of the Pizza Pit Unit, but exclusive of sales and equivalent taxes and bona fide discounts for coupons and other sales promotions, refunds and credits for returned merchandise, employee food, waste and bad orders.

(3) You must submit signed forms to allow Pizza Pit to automatically withdraw from your account and deposit into Pizza Pit's account estimated continuing services and royalty fees. Such estimate will be based on your average weekly gross receipts for the corresponding prior year's calendar quarter, with a reconciliation following the end of each calendar quarter. See Individual Unit Agreement, ¶ IX.A. and Exhibit G.

ITEM 7. ESTIMATED INITIAL INVESTMENT

REGIONAL MALL UNIT
(including dining, carry-out and delivery service)

NAME OF EXPENDITURE	RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee	\$ 25,000	Lump sum	At signing	Pizza Pit
Rent	(1)			
Furniture, fixtures and equipment (2)	\$86,350 – \$169,070	As agreed upon	Before Opening	Supplier
Decor and signage	\$8,800 – \$16,500	As agreed upon	As agreed upon	Supplier
Opening inventory and supplies	\$4,400 - \$11,000	As agreed upon	As agreed upon	Supplier
Delivery vehicle (3)	\$13,200 - \$16,500	As agreed upon	As agreed upon	As contracted
Leasehold improvements	\$44,000 - \$92,070	As agreed upon	As incurred	As contracted
Lease and utility deposits	\$2,200 - \$6,600	As agreed upon	Upon demand	Supplier
Expenses Related to Employee Training (4)	\$8,800 - \$19,800	As agreed upon	As incurred	Employee and Suppliers
Grand opening program (5)	\$8,338 - \$16,654	As agreed upon	As incurred	Supplier
Additional funds (first 3 months of operations) (6)	\$50,600	As incurred	As incurred	Employees, suppliers, creditors and others
Licenses, bonds and permits	\$330 - \$2,750	As incurred	Before opening	Legal agencies
Architectural, engineer and design fees	\$3,520 - \$11,000			
Insurance (7)	\$13,200-\$19,800 (annual amount)	As agreed upon	As agreed upon	Insurance carrier
Range Total (8)	\$268,738 - \$457,344			

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FREESTANDING UNIT
(including dining, carry-out and delivery service)

NAME OF EXPENDITURE	RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee	\$25,000	Lump sum	At signing	Pizza Pit
Rent	(1)			
Furniture, fixtures and equipment (2)	\$75,350 - \$147,400	As agreed upon	Before Opening	Supplier
Decor and signage	\$8,800 - \$16,500	As agreed upon	As agreed upon	Supplier
Opening inventory and supplies	\$4,400 - \$11,000	As agreed upon	As agreed upon	Supplier
Delivery vehicle (3)	\$39,600 - \$60,500	As agreed upon	As agreed upon	As contracted
Leasehold improvements	\$33,000 - \$93,500	As agreed upon	As incurred	As contracted
Lease and utility deposits	\$1,650 - \$6,050	As agreed upon	Upon demand	Supplier
Expenses Related to Employee Training (4)	\$8,800 - \$19,800	As agreed upon	As incurred	Employee and Suppliers
Grand opening program (5)	\$8,338 - \$16,654	As agreed upon	As incurred	Supplier
Additional funds (first 3 months of operations) (6)	\$50,600	As incurred	As incurred	Employees, suppliers, creditors and others
Licenses, bonds and permits	\$330 - \$2,750	As incurred	Before opening	Legal agencies
Architectural, engineer and design fees	\$1,320 - \$11,000			
Insurance (7)	\$13,200 - \$19,800 (annual amount)	As agreed upon	As agreed upon	Insurance carrier
Range Total (8)	\$270,388 - \$480,554			

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MERGED BUSINESS UNIT
(carry-out and delivery service and possible minimum dining area)

NAME OF EXPENDITURE	RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee	\$25,000	Lump sum	At signing	Pizza Pit
Rent	(1)			
Furniture, fixtures and equipment (2)	\$54,450 - \$125,400	As agreed upon	Before Opening	Supplier
Decor and signage	\$4,400 - \$12,100	As agreed upon	As agreed upon	Supplier
Opening inventory and supplies	\$4,400 - \$11,000	As agreed upon	As agreed upon	Supplier
Delivery vehicle (3)	\$39,600 - \$60,500	As agreed upon	As agreed upon	As contracted
Leasehold improvements	\$33,000 - \$82,500	As agreed upon	As incurred	As contracted
Lease and utility deposits	\$1,650 - \$6,050	As agreed upon	Upon demand	Supplier
Expenses Related to Employee Training (4)	\$8,800 - \$19,800	As agreed upon	As incurred	Employee and Suppliers
Grand opening program (5)	\$8,338 - \$16,654	As agreed upon	As incurred	Supplier
Additional funds (first 3 months of operations) (6)	\$50,600	As incurred	As incurred	Employees, suppliers, creditors and others
Licenses, bonds and permits	\$330 - \$2,750	As incurred	Before opening	Legal agencies
Architectural, engineer and design fees	\$440 - \$5,500			
Insurance (7)	\$13,200 - \$19,800 (annual amount)	As agreed upon	As agreed upon	Insurance carrier
Range Total (8)	\$244,208 - \$437,654			

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STRIP CENTER UNIT
(carry-out and delivery service only)

NAME OF EXPENDITURE	RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee	\$25,000	Lump sum	At signing	Pizza Pit
Rent	(1)			
Furniture, fixtures and equipment (2)	\$54,450 - \$125,400	As agreed upon	Before Opening	Supplier
Decor and signage	\$4,400 - \$12,100	As agreed upon	As agreed upon	Supplier
Opening inventory and supplies	\$4,400 - \$11,000	As agreed upon	As agreed upon	Supplier
Delivery vehicle (3)	\$39,600 - \$60,500	As agreed upon	As agreed upon	As contracted
Leasehold improvements	\$33,000 - \$82,500	As agreed upon	As incurred	As contracted
Lease and utility deposits	\$1,650 - \$6,050	As agreed upon	Upon demand	Supplier
Expenses Related to Employee Training (4)	\$8,800 - \$19,800	As agreed upon	As incurred	Employee and Suppliers
Grand opening program (5)	\$8,338 - \$16,654	As agreed upon	As incurred	Supplier
Additional funds (first 3 months of operations) (6)	\$50,600	As incurred	As incurred	Employees, suppliers, creditors and others
Licenses, bonds and permits	\$330 - \$2,750	As incurred	Before opening	Legal agencies
Architectural, engineer and design fees	\$440 - \$5,500			
Insurance (7)	\$13,200 - \$19,800 (annual amount)	As agreed upon	As agreed upon	Insurance carrier
Range Total (8)	\$244,208 - \$437,654			

- (1) It is estimated that monthly rental expense will fall within the following ranges:
- Regional Mall Unit - \$2,200 to \$11,000 per month, plus a percentage of the unit's gross receipts (usually above a base level);
 - Freestanding Unit - \$1,650 to \$5,500 per month;
 - Merged Business Unit - \$1,100 to \$5,500;
 - Strip Center Unit - \$1,375 to \$5,500 per month.

- (2) The figure includes approximate investment for a commissary equipment package and nondisposable supplies like pizza cutters and other kitchen hardware. An in-store commissary equipment package includes a VCM, slicer, dough trays and miscellaneous utensils. A total commissary package costs between \$33,000 and \$55,000 for new equipment and \$6,600 and \$13,200 for used equipment.
- (3) You may own or lease the vehicles or they may be furnished by the driver/employee. While in use each vehicle must be primarily identified by an illuminated Pizza Pit car top sign or an illuminated Pizza Pit car window sign.
- (4) These amounts will be incurred for manager/employee salaries, room, board and travel related to employee attendance at Pizza Pit's 4 - 6 week training program in Madison, Wisconsin, or another location designated by Pizza Pit, prior to opening.
- (5) These amounts are to be spent through the 13th week after initial opening of the Pizza Pit Unit and are in addition to your required 1.0% local advertising expense under paragraph VIII.C. of the Individual Unit Agreement. Grand Opening Programs vary substantially among locations.
- (6) This item estimates your initial start up expenses for 3 months and assumes monthly rent of \$3,300. This item does not include ongoing inventory purchases, royalty or advertising payments or the cost of any financing interest or amount of debt service obligation. These figures are estimates, and Pizza Pit cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on the following factors, among others: how much you follow Pizza Pit'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.
- (7) This amount assumes general commercial liability coverage and worker's compensation and coverage for two automobiles. You should make an independent determination of applicable premiums as part of your consideration of a purchase of the franchise. Premiums may vary substantially from these estimates depending upon a variety of factors and conditions. Availability of various insurance coverages may be limited by any group insurance plan to which you may belong.
- (8) You should review all components of this estimate with your advisors, experts, local suppliers, vendors and members of the building trades before purchasing a franchise. Conditions of the proposed site, local laws and regulations, as well as many other factors, may cause your investment to vary materially from that described in this estimate.

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ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCT AND SERVICES

Equipment, fixtures, furniture and signs. Pizza Pit will provide you with specifications for pizza and beverage preparation, dispensing, storage and display equipment, delivery and related motor vehicles, other equipment, fixtures, furniture, exterior and interior signs and decorating required for the Pizza Pit Unit. The specifications may include minimum standards for delivery, performance, warranties, design and appearance and local zoning, sign and other restrictions. You may purchase items meeting Pizza Pit's specifications from any source. In some cases, Pizza Pit may specify equipment by brand and/or model number. If you propose to purchase or lease items not previously approved by Pizza Pit as meeting its specifications, you must first notify Pizza Pit in writing and Pizza Pit may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether the items meet Pizza Pit's specifications. Pizza Pit will advise you within a reasonable time whether any item meets its specifications. Pizza Pit reserves the right to charge you for its reasonable expense incurred in testing and evaluating any proposed item. The number of suppliers of any item may depend on the availability of the items and whether there are suppliers who are willing or have the capability to manufacture items meeting Pizza Pit's specifications. Pizza Pit may be an approved supplier for some of the items discussed in this paragraph.

Pizza ingredients, beverage, supplies and other materials. All pizza ingredients, beverage products, cooking materials, containers, packaging materials, other paper and plastic products, utensils, uniforms, menus, forms, cleaning and sanitation materials and other supplies and materials used in the operation of your Pizza Pit Unit must conform to the specifications and the quality standards established by Pizza Pit. You must use in the operation of the Pizza Pit Unit boxes, containers and other paper or plastic products imprinted with the Marks required by Pizza Pit. Pizza Pit may in its sole discretion require that ingredients, supplies and materials used in the preparation, packaging and delivery of pizza be purchased exclusively from Pizza Pit or from another approved supplier or distributor. Any ingredient, supply or material not previously approved by Pizza Pit as conforming to its specifications and quality standards must be submitted for examination and/or testing before use. Pizza Pit has the right to examine the facilities of any approved supplier or distributor, including the commissary, if any, operated by you and to test or inspect the ingredients, materials or supplies to determine whether they meet Pizza Pit's standards and specifications. Pizza Pit has the right to charge fees for testing and evaluating proposed and approved suppliers or distributors and examining and inspecting commissary operations and may impose reasonable limitations on the number of approved suppliers or distributors of any product. Pizza Pit will notify you within a reasonable time (generally not to exceed 30 days) whether any ingredients, supplies or materials submitted by you meet with its approval. Pizza Pit maintains a list of suppliers who have been approved by it. Approval of a supplier or distributor may be conditioned on requirements regarding frequency of delivery, standards or services including prompt attention to complaints and the ability to service and supply Pizza Pit Units within areas designated by Pizza Pit. Additionally, your ability to purchase from other suppliers, including those who sell to Pizza Pit or its affiliates, will depend on such factors as the willingness of the suppliers to sell directly to you, the availability of various products and whether there are suppliers who are willing or able to manufacture products meeting Pizza Pit's specifications.

Rebates. Pizza Pit reserves the right to accept rebates from various vendors attributable to sales to franchisees.

Virtually all (i.e., 100%) of the products and services used in the establishment and operation of a Pizza Pit Unit are subject to specifications or must be purchased from designated or approved suppliers. Currently Pizza Pit and Baraboo Sysco Food Services, Inc. are the only approved suppliers of the special blend of spice packages used for pizza sauce, pizza dough and sausage. The costs of these spice packages is less than 1% of the cost of establishing a franchise and between approximately 1% and 1.75% of your continuing monthly purchases of food products and food related supplies. It is estimated that in establishing your Pizza Pit Unit, Pizza Pit could provide you with approximately 0% of your total purchases, and in operating your Pizza Pit Unit, Pizza Pit could provide you with less than 2% of your total purchases. These percentages include the purchase of equipment, fixtures, furniture, signs, pizza ingredients, beverage, supplies and other materials.

Pizza Pit negotiates purchase arrangements with suppliers, including price terms, and Pizza Pit believes that these negotiations benefit its franchisees. Pizza Pit does not provide material benefits to you based on your use of designated or approved 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 OFFERING CIRCULAR.

OBLIGATION	SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
Site selection and acquisition/lease	Paragraphs II.A. and XXIX	Items 6, 7 and 11
Pre-opening purchases/ leases	Paragraphs II.C. and D., III.F., XII, and XIII	Items 6, 7 and 8
Site development and other pre-opening requirements	Paragraphs II and XIV.A.	Items 6, 7, 8 and II
Initial and ongoing training	Paragraph V	Item 11
Opening	Paragraphs II.E. and XIV.A.	Item 11
Fees	Paragraphs I, V.D., VIII and IX	Items 5, 6, 7 and 11
Compliance with standards and policies/ operating manual	Paragraphs I, VI, VII, XII and XIV	Items 8, 11 and 17
Trademarks and proprietary information	Paragraphs III, VI, VII.A. and XV	Items 13, 14, 15 and 17
Restrictions on products/services offered	Paragraphs I and XII	Items 8, 12 and 16
Warranty and customer service requirements	None	None
Territorial development and sales quotas	None	None
Ongoing product/service purchases	Paragraph XII	Item 8
Maintenance, appearance and remodeling	Paragraphs II.C. and D., VII.A. and X	Items 11 and 16
Insurance	Paragraph XIII	Item 7
Advertising	Paragraph VIII	Items 6 and 11
Indemnification	Paragraph XXI.C.	Item 6
Owner's participation/ management staffing	Paragraphs V and XV.A.	Items 11 and 15
Records/reports	Paragraph XI	Item 6
Inspection/audits	Paragraphs III.E. and XI	Items 6 and 11

OBLIGATION	SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
Transfer	Paragraph XVIII	Item 17
Renewal	Paragraph IV	Item 17
Post-termination obligations	Paragraph XVI	Item 17
Noncompetition covenants	Paragraph XV	Item 17
Dispute resolution	Paragraph XXVIII	Item 17

ITEM 10. FINANCING

Pizza Pit does not offer direct or indirect financing. Pizza Pit does not guarantee any note, lease or other obligation.

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

Except as listed below, Pizza Pit need not provide any assistance to you under the franchise agreement.

Before you open your business, Pizza Pit will:

1. Use reasonable efforts to assist you in analyzing your market area for purposes of finding a suitable site for your Pizza Pit Unit. (Individual Unit Agreement, paragraph II.A.)
2. Instruct you as to the overall management of the business during the 4 to 6 weeks' training and familiarization course at Pizza Pit's headquarters in Madison, Wisconsin, or another location designated by Pizza Pit. All expenses incident to attendance at such program, including room, board and travel expenses, are to be borne by you. (Individual Unit Agreement, paragraph V.A.)
3. Furnish you with standards and specifications for required layout. (Individual Unit Agreement, paragraph II.C.)
4. Loan you a copy of the Confidential Operating Manual. (Individual Unit Agreement, paragraph VI.)
5. Provide you with specifications for equipment, fixtures, furniture and signs and for pizza ingredients. (Individual Unit Agreement, paragraphs XII.A. and B.)
6. Pizza Pit may, although not bound to do so, provide other services and assistance to you before the opening of the franchise business, e.g., (i) delivery and set-up of ovens and walk-in coolers, (ii) installation of the hood/air jacket, scales, can openers, dispensers and wallpaper cover guards, (iii) hang art work and menu boards and (iv) other set-up assistance that you may request. All these services are provided at the discretion of Pizza Pit and, if provided, you will be charged a fee equal to the sum of (i) an hourly charge for the services of Pizza Pit's employee, and (ii) all expenses related to providing the service, e.g., truck and equipment rental (including, if applicable, a charge for Pizza Pit-owned vehicles), mileage and the cost of materials used in providing the services.

Franchisees typically open their Pizza Pit Units 3 to 6 months after they sign the Individual Unit Agreement. The factors affecting this length of time may include your ability to obtain a satisfactory site, your ability to obtain financing, whether you are able to meet your construction schedule, whether you are able to comply with local ordinances and community and state requirements, and delivering installation of equipment and signs, and similar factors. Pizza Pit will determine your actual opening date.

During the operation of the franchised business, Pizza Pit will:

1. Furnish you, for the first week of operation of your Pizza Pit Unit, at least one of Pizza Pit's representatives for the purpose of facilitating the opening of your Pizza Pit Unit. You must pay all room, board and travel expenses of all of Pizza Pit's representatives incurred while providing this service. (Individual Unit Agreement, paragraph V.B.)

2. Pizza Pit may provide refresher training programs or seminars and may require that previously-trained and experienced franchisees or their managers attend and successfully complete the same. You are responsible for all of your expenses while attending refresher training programs or seminars. (Individual Unit Agreement, paragraph V.E.)

3. Periodically, Pizza Pit may, although not bound to do so by any agreement, make available to you promotional materials, bulletins on new sales, marketing developments, products, techniques and equipment, and additional employee training. Pizza Pit will charge you a service charge and related expenses for additional employee training. (Individual Unit Agreement, paragraph V.E.)

Advertising Fund. Pizza Pit administers a system-wide advertising program (the "Advertising Fund"). Each Pizza Pit franchisee who signs or renews an Individual Unit Agreement on or after January 1, 2019, is required to contribute an advertising fee equal to 1.0% of its total gross receipts to the Advertising Fund on a weekly basis. The Advertising Fund will be administered by Pizza Pit in its discretion for the mutual benefit of all Pizza Pit franchisees.

Local Advertising Expenses. In addition, you must spend on local advertising and promotion during each calendar quarter an amount equal to at least 3.0% of your total gross receipts in that calendar quarter. This local advertising expenditure will be made directly by you subject to approval and direction by Pizza Pit or its designee. This local advertising expenditure shall include maintenance of a web site approved by Pizza Pit. You are also required to submit all other advertising and promotional materials that you wish to use, including newspapers, radio and television advertising, specialty and novelty items, signs, boxes, bags and wrapping papers to Pizza Pit or its designees for approval before use. Within 15 days of the end of each month, you must provide Pizza Pit with an accurate accounting of the previous month's expenditures on local advertising and promotion. (Individual Unit Agreement, paragraph VII).

Operating Manuals. The table of contents of the Outlet Operations Manual and Commissary Operations Manual are attached as Exhibit F.

Site Location. You will be responsible for selecting the site for your Pizza Pit Unit. Pizza Pit will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in the selection of the location, which Pizza Pit must approve. Pizza Pit’s approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for a Pizza Pit Unit or for any other purpose. The Individual Unit Agreement does not impose any time limit upon Pizza Pit within which it must approve your proposed site. Exhibit A to the Individual Unit Agreement gives Pizza Pit the option to terminate the Individual Unit Agreement if you do not obtain a site satisfactory to Pizza Pit, in Pizza Pit’s sole opinion, within 120 days of the date of the Individual Unit Agreement. In determining whether to approve a site, Pizza Pit may take into account information regarding some of the following factors: (1) population demographics, (2) the economic profile of the area, (3) restaurant activity in the area (pizza and non-pizza), (4) community overview (type of city, activities, etc.), (5) traffic patterns and parking availability, (6) site availability and characteristics, and (7) advertising means and sources.

It is your responsibility to investigate and comply with all zoning, licensing, leasing and similar requirements regarding the location.

Training. Approximately 6 to 9 weeks before your store opens, an owner of not less than 25% of the total ownership interest of the Franchisee designated in the Franchise Agreement (unless otherwise agreed in writing by Pizza Pit) will begin a training program at Pizza Pit’s headquarters and company-owned locations in Madison, Wisconsin. A typical training program is summarized in the chart set out below. The amount of time allocated to each subject is an estimate. Actual training time allocated to each subject is dependent upon the business and restaurant experience level of your manager and the supporting management team. Some training subjects may not be applicable to the needs of your Pizza Pit Unit.

SUBJECT	INSTRUCTIONAL MATERIAL	HOURS OF CLASS-ROOM TRAINING	HOURS OF ON-THE-JOB TRAINING
Orientation	Orientation Manual	5	0
Delivery systems	Outlet Operations Manual	3	5
Wait systems	Outlet Operations Manual	4	0
Food preparation	Outlet Operations Manual	2	3
Sandwich preparation	Outlet Operations Manual	2	2
Sanitation	Outlet Operations Manual	2	1
Chicken preparation	Outlet Operations Manual	3	2
Pizza production	Outlet Operations Manual	25	40
Routing delivery	Outlet Operations Manual	1	0
30 minute delivery	Outlet Operations Manual	1	0

SUBJECT	INSTRUCTIONAL MATERIAL	HOURS OF CLASS-ROOM TRAINING	HOURS OF ON-THE-JOB TRAINING
Employee hiring	Hiring Manual	3	0
Training process	Outlet Operations Manual	2	6
Supervision	Outlet Operations Manual	6	0
Nightly planning	Outlet Operations Manual	1	0
Safety	Outlet Operations Manual	1	0
Security	Outlet Operations Manual	1	0
Company car	Outlet Operations Manual	2	0
Food cost	Outlet Operations Manual	2	0
Labor cost	Outlet Operations Manual	3	0
Forms	Outlet Operations Manual	5	0
Store Operations		0	70
General TMS operation	Outlet Operations Manual	10	5
Product information	Commissary Operations Manual	4	0
Dough production	Commissary Operations Manual	3	20
Sauce production	Commissary Operations Manual	1	5
Cheese production	Commissary Operations Manual	1	3
Sliced meats	Commissary Operations Manual	1	3
Sliced vegetables	Commissary Operations Manual		
Commissary general	Commissary Operations Manual	5	0

Training will be supervised by Robert Bisbee, whose qualifications are discussed in Item 2 of this offering circular or by other designated representatives of Pizza Pit.

The training program is arranged as needed for opening a new Pizza Pit Unit, versus on a regular schedule. There is no fee separate from the initial franchise fee for the training program. You are responsible for salary expense, personal travel and living expenses incident to attending and successfully completing the training program. You or, as the case may be, your designated manager must complete the training program to Pizza Pit's satisfaction.

Additionally, Pizza Pit, in its sole discretion, may require that managers of new franchisees separately attend and complete the advertising and marketing segment of the initial training program pertaining to print advertising, electronic advertising and miscellaneous advertising. This advertising and marketing training is conducted in Madison, Wisconsin, or other location designated by Pizza Pit, and Pizza Pit reserves the right to charge for such separate training, typically at a rate of \$30.00 per hour, per manager. You must bear the entire cost of travel, room, board and your manager's salary in connection with such training.

The above-described training is not required of or offered to existing Pizza Pit franchisees who elect to enter into new franchise agreements with Pizza Pit.

Periodically, Pizza Pit may offer and/or require that previously trained and experienced franchisees and/or their managers attend and successfully complete refresher training programs, additional training programs and/or seminars. These programs, in Pizza Pit's sole discretion, are conducted at the franchisee's Pizza Pit Unit. Pizza Pit does not charge for these programs. If the program is conducted at another site, however, you must bear the entire cost of travel to and from the program and all living expenses while attending it. Pizza Pit also may provide additional training on an as needed basis to you, e.g., to a new employee. You will pay Pizza Pit a service charge for the services, typically between \$25.00 and \$40.00 per hour, per employee, plus travel, room and board expense.

ITEM 12. TERRITORY

You are granted the right to operate your Pizza Pit Unit only at the location specified in the Individual Unit Agreement. You are assigned a primary marketing area. The primary marketing area will be described in terms of appropriate boundaries, e.g., city or county limits, main streets, roads, etc., and reflected in a map attached to the Pizza Pit Unit Agreement. During the term of the Individual Unit Agreement, Pizza Pit will not operate or grant a franchise for the operation of another Pizza Pit Unit within your primary marketing area, if you are not in default under the Individual Unit Agreement, without first offering you the right to establish another Pizza Pit Unit in your primary marketing area according to the terms of the then current Individual Unit Agreement. You may not offer delivery service outside of your primary marketing area. Pizza Pit is not prohibited from granting franchises or opening company-owned units located within your primary marketing area selling or leasing similar products and services under a different trade name. Continuation of your rights in your primary marketing area do not depend on your achieving a certain sales volume or market penetration.

ITEM 13. TRADEMARKS

Pizza Pit grants you the right to operate your Pizza Pit Unit under the "Pizza Pit" and "Pizza Pit Extreme" trademarks, service marks and trade names. You may also use our other current or future trademarks, service marks, trade names and logos to operate your Unit. The Pizza Pit and Pizza Pit Extreme trademarks, service marks and trade names, along with all of our other current and future trademarks, service marks, trade names and logos, shall collectively be referred to herein as the "Marks." Pizza Pit is the owner or exclusive licensee of all right, title and interest in the Marks, including, without limitation, all right, title and interest in the trademarks, service marks and trade names "Pizza Pit" and "Pizza Pit Extreme."

The Marks include, without limitation, the following federally registered trademarks and service marks: (1) the combined trademark and service mark "Pizza Pit" which is registered with the U.S. Patent and Trademark Office on the Principal Register as registration no. 1,285,442, and which issued on July 10, 1984; (2) the combined trademark and service mark "Pizza Pit" and Design (see the mark on the cover of this offering circular) which is registered with the U.S. Patent and Trademark Office on the Principal Register as registration no. 1,421,339, and which issued on December 16, 1986; (3) the combined trademark and service mark "Pizza Pit" and Design (comprised of the words "Pizza Pit" disposed in an arc over the image of a devil's head) which is registered with the U.S. Patent and Trademark Office on the Principal Register as registration no. 1,285,443, and which issued on July 10, 1984; (4) the service mark "Your Neighborhood Pizza Delivery Specialists" which is registered with the U.S. Patent and Trademark Office on the Principal Register as registration no. 1,303,209, and which issued on October 30, 1984; (5) the trademark "Pizza Twins" which is registered with the U.S. Patent and Trademark Office on the

Principal Register as registration no. 1,740,062, and which issued on December 15, 1992; (6) the trademark “Pizza Triplets” which is registered with the U.S. Patent and Trademark Office on the Principal Register as registration no. 3,544,175, and which issued on December 9, 2008; (7) the service mark “Pizza Triplets” which is registered with the U.S. Patent and Trademark Office on the Principal Register as registration no. 3,627,546, and which issued on May 26, 2009; (8) the combined trademark and service mark “Pizza Pit Extreme” which is registered with the U.S. Patent and Trademark Office as Registration No. 4,574,674 and which issued on July 29, 2014; and (9) the service mark “Pizza Pit Extreme” which is registered with the U.S. Patent and Trademark Office as Registration No. 4,790,980 and which issued on August 11, 2015. The marks listed in items (1) through (5) in the previous sentence were initially registered in the name of PPL which was the previous owner of these marks. The documents evidencing Pizza Pit’s ownership of these marks have been recorded in the Assignment Division of the U.S. Patent and Trademark Office.

You must follow our rules when you use the Marks. You cannot use a Mark as part of a corporate name. You cannot modify any of the Marks nor can you use any of the Marks in any modified form. You may not use any of the Marks in connection with the sale of unauthorized products or services or in a manner not authorized in writing by Pizza Pit.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceeding or any pending material litigation involving the Marks which are relevant to their use in any state.

There are no agreements currently in effect that significantly limit the rights of Pizza Pit to use or license the use of the Marks in any manner material to the franchise.

If there is any infringement of, or challenge to, your use of the Marks, you must immediately notify Pizza Pit and Pizza Pit, in its sole discretion, may take action that it deems appropriate. If Pizza Pit undertakes the defense or prosecution of an action, you agree to execute and convey all documents and do such acts and things as may, in the opinion of Pizza Pit’s counsel, be necessary to carry out the defense or prosecution, either in Pizza Pit’s name or your name, as deemed appropriate by Pizza Pit. Pizza Pit will require that you, at your expense, discontinue or modify the use of any Mark if the discontinuation or modification is required as a result of a proceeding or settlement relating to the Marks.

There are no infringing uses actually known to Pizza Pit that could materially affect your use of the Marks in this state or in any other state in which the franchised business is to be located.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. Pizza Pit claims copyright protection in the Manual, training materials and other documents used in the operation of the Pizza Pit Unit. These materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are considered Pizza Pit’s property and you may use them only according to Pizza Pit’s rules.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit Pizza Pit’s right to use or license the copyrighted materials. There are no infringing uses actually known to Pizza Pit which could materially affect its use of the copyrighted materials in any state. There is no provision in the Individual Unit Agreement specifically obligating Pizza Pit to protect your rights to use of the proprietary or copyrighted materials, but Pizza Pit will respond to any alleged infringement as it deems appropriate.

Spice packages used in pizza sauce, pizza dough, sausage, meat balls, taco pizza and marinara sauce are proprietary and Pizza Pit may restrict the sources of supply of these products. Information, knowledge, or know-how, including drawings, materials, equipment, marketing, recipes, and other data, which Pizza Pit designate as confidential will be deemed confidential. Pizza Pit may disclose to you certain confidential or proprietary information and trade secrets. You must not use the confidential or proprietary information or trade secrets in an unauthorized manner and must take steps to prevent its disclosure to others.

Pizza Pit licenses from James Meyer certain recipes for a pizza dough spice packet and a pizza sauce spice packet for use by Pizza Pit Units.

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

An owner of not less than 25% of the total ownership interest of the Franchisee designated in the Franchise Agreement must devote full time, energy and effort to the management and operation of the Pizza Pit Unit. Pizza Pit has the right to require that you sign with your manager an agreement containing confidentiality provisions.

If the franchisee is a corporation, partnership or limited liability company, each shareholder, partner or member of the limited liability company must personally guarantee the franchisee's obligations under the Individual Unit Agreement and must agree to be bound by each provision of the Individual Unit Agreement, including all restrictions imposed by the applicable agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to sell, serve and dispense all articles, foods and other products that meet Pizza Pit's specifications and standards. Pizza Pit may modify periodically the lists of articles, foods and other products required to be sold from your Pizza Pit Unit. The Individual Unit Agreement places no limits on Pizza Pit's right to modify these lists. You are prohibited from offering or selling any articles, foods or other products or services not approved by Pizza Pit. You are not limited in the customers to whom you may sell the goods or services, except that you may not, either directly or indirectly, engage in the business of the wholesale distribution of pizza ingredients, beverage products and related supplies and materials. You may not offer delivery service outside of your primary marketing area.

Unless authorized in writing by Pizza Pit, you are prohibited from using the premises for any other purpose than the operation of the Pizza Pit Unit. With regard to a merged business unit, this prohibition typically only applies to that portion of a merged business unit identified as the Pizza Pit Unit.

No alcoholic beverages shall be offered for sale or consumed at your Pizza Pit Unit unless Pizza Pit, in its sole discretion, specifically approves in writing the sale of the same. If approval is granted, then you are obligated to secure all licenses, permits, bonds and an insurance policy to include any liabilities that may arise from the sale of alcoholic beverages. See INITIAL INVESTMENT--Individual Unit Agreement" at footnote (6) for additional discussion.

You must keep your Pizza Pit Unit open for business every day of the year unless you have our prior written consent to be closed which will not be unreasonably withheld for up to six (6) days per calendar year.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
Term of the franchise	Paragraph IV.A.	10 years from date of Agreement
Renewal or extension of the term	Paragraph IV.A.	One additional 10-year term
Requirements for you to renew or extend	Paragraph IV	Sign new Agreement, attend retraining program and sign release
Termination by you	None	
Termination by Franchisor without cause	None	
Termination by Franchisor with cause	Paragraph XVI	Pizza Pit may terminate only if you default
“Cause” defined - defaults which can be cured	Paragraph XVI.B.	You have 30 days to cure: nonpayment of fees; failure to file reports; unauthorized transfers; failure to comply with the Manual, other operational memoranda, bad faith in carrying out the Agreement; false reporting; or Pizza Pit deems itself insecure.
“Cause” defined - defaults which cannot be cured	Paragraph XVI.A.	Insolvency, assignment for the benefit of creditors, bankruptcy or receiver appointed; commission of an act impairing goodwill; voluntarily abandonment of franchise business; failure to comply with the Agreement 3 times during any 12 month period; or cancellation or failure to renew or extend the lease or other loss of right to use premises.
Your obligations on termination/nonrenewal	Paragraphs XVII and XXIX.C.	Promptly pay all amounts due Pizza Pit and affiliates; de-identify premises and cease use of all Marks; cancel assumed names; assign telephone numbers and yellow page advertisements to Pizza Pit; assign lease if notified by Pizza Pit; return all manuals, records, files, instructions, correspondence and other materials regarding the Pizza Pit Unit.
Assignment of contract by Pizza Pit	Paragraph XVIII.K.	No restriction on Pizza Pit’s right to assign.
“Transfer” by you - definition	Paragraph XVIII.A.	Includes voluntary sales, encumbrances, foreclosures of an interest in the Agreement or the franchised business; passing of your interest in the Agreement or the franchised business by operation of law. The same restrictions apply to change in a controlling interest of a corporate or partnership franchisee. Also applies to change in managerial responsibility.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
Pizza Pit's approval of transfer by franchisee	Paragraph XVIII.D.	Pizza Pit has the right to approve all transfers.
Conditions for Pizza Pit's approval of transfer	Paragraph XVIII.D.	You may not be in default under the Agreement; your right to payment is subordinated to Pizza Pit's right to payment; you execute a general release; your transferee qualifies as a Pizza Pit franchisee and assumes your obligations under the Agreement; your transferee signs a new agreement; your transferee completes the training program; and the transfer fee is paid.
Pizza Pit's right of first refusal to acquire your business	Paragraph XVIII.C.	Pizza Pit has 45 days to match any offer.
Pizza Pit's option to purchase your business	Paragraph XVII.B.	Pizza Pit may purchase all or any part of the assets at fair market value.
Your death or disability	Paragraphs XVIII.H. and XIX	Pizza Pit will consent to transfer to a guardian, executor, administrator or other personal representative if there is no default in the Agreement and transferee assumes obligations, is qualified, and signs new Agreement and is trained. Subsequent transfers are subject to same requirements as other transfers under the Agreement. Pizza Pit may temporarily operate the Pizza Pit Unit.
Non-competition covenants during the term of the franchise	Paragraph XV.A.	No involvement in any restaurant or carry-out or delivery service offering pizza, submarine-style sandwiches, gyros or other Italian food products similar to those offered by your Pizza Pit Unit.
Non-competition covenants after the franchise is terminated or expires	Paragraph XV.C.	No involvement in any restaurant or carry-out or delivery service offering pizza, submarine-style sandwiches, gyros or other Italian food products similar to those offered by your Pizza Pit Unit for 2 years within your Primary Marketing Area.
Modification of Agreement	Paragraphs VI.A. and XXV	No modifications generally, but operating manual subject to change.
Integration/merger clause	Paragraph XXV	Only the terms of the Agreement are binding.
Dispute resolution by arbitration or mediation	Paragraph XXVIII	Except for certain claims, all disputes must be arbitrated in Dane County, Wisconsin.
Choice of forum*	Paragraph XXVIII	Arbitration is in Dane County, Wisconsin.
Choice of law	Paragraph XXVII	Wisconsin law applies, with certain exceptions.

The following jurisdictions where the Pizza Pit franchise is or may be offered have statutes that may, under certain circumstances, supersede contrary provisions in a franchise agreement, including provisions regarding grounds for termination and/or nonrenewal and any corresponding notice and cure requirements:

Iowa - Iowa Code §§523H.1 to .17 (West Supp. 1994)
 Wisconsin - Wis. Stat. Ann. §§135.01 to .07 (West)

These and other states may have court decisions which may supercede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

* Franchise investment laws in certain states provide that they govern all matters regarding the offer and sale of franchises in the state and may also provide that any provision in a franchise agreement designating jurisdiction or venue in a forum other than that state is void. Those laws may also provide that the governing law, jurisdiction and venue requirements, if any, cannot be waived.

ITEM 18. PUBLIC FIGURES

Pizza Pit does not use any public figures 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.

Pizza Pit does not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Robert Bisbee, 6306 Monona Drive, Monona, Wisconsin 53716, 608-221-6777, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION STATUS OF FRANCHISED PIZZA PIT UNITS ⁽¹⁾

State	Franchises Transferred During '25/'24/'23	Franchises Terminated By Pizza Pit During '25/'24/'23	Franchises Not Renewed By Pizza Pit During '25/'24/'23	Franchises Reacquired By Pizza Pit During '25/'24/'23	Franchises That Otherwise Left System During '25/'24/'23	Franchises Operating At Year End '25/'24/'23	Franchises Sold But Not Open At Year End 2025	2026 Projected Franchise Sales
Iowa	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1	0	0
Wisconsin	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	7/8/6	0	2
Total	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	8/9/7	0	2

⁽¹⁾ Information is as of December 31 for 2023, 2024 and 2025.

The following table provides selected information on Pizza Pit Units owned and operated by Pizza Pit's Parent during 2023, 2024 and 2025 through December 31, 2025.

STATUS OF COMPANY-OWNED PIZZA PIT UNITS ⁽¹⁾

	Units Closed During '25/'24/'23	Units Opened During '25/'24/'23	Total Units Operating '25/'24/'23	Projected Units Operating in 2026
Other States	0/0/0	0/0/0	0/0/0	0
Wisconsin	0/0/0	0/0/0	0/0/0	0
Total	0/0/0	0/0/0	0/0/0	0

⁽¹⁾ Information is as of December 31 of each year.

Exhibit D lists the names, addresses and telephone numbers of all franchisee owned Pizza Pit Units as of December 31, 2025.

A list of the names, last known home or corporate address and corresponding telephone number of all former franchisees, if any, who have had an Individual Unit Agreement terminated, cancelled or otherwise voluntarily or involuntarily ceased to do business under an Individual Unit Agreement during the twelve month period ended December 31, 2025 is attached as Exhibit E, together with a list of all franchisees, if any, who have not communicated with Pizza Pit within ten (10) weeks before December 31, 2025.

ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are Pizza Pit's audited financial statements for the fiscal years 2022, 2023 and 2024, and an unaudited financial statement as of April 10, 2025.

ITEM 22. CONTRACTS

The Individual Unit Agreement is attached to this Disclosure Document as Exhibit B.

ITEM 23. RECEIPTS

Following the Exhibits to this Offering Circular are duplicate detachable receipts by which you acknowledge receipt of this Offering Circular. Upon receiving this Offering Circular, you must date and sign one copy of the receipt and return it to Pizza Pit.

FINANCIAL STATEMENTS OF SB ACQUISITION, LLC

Exhibit A

Balance Sheet

Pizza Pit

As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
Cash in Bank-Lake Ridge	4,573.19
Cash in Bank-One Community Bank	6,567.17
Cash on hand	0.00
NP - Knollridge, LLC SP Loan	0.00
One Community Bank-Gift Card Acct	8,760.69
zzCash in Bank-Anchor	0.00
Total for Bank Accounts	\$19,901.05
Accounts Receivable	
Accounts Receivable	23,081.77
AR - Five Star Enterprises of Wisconsin, LLC	0.00
Bad Debt Reserve	-4,805.00
Total for Accounts Receivable	\$18,276.77
Other Current Assets	
Accounts Receivable-Other	0.00
Accounts Receivable-Rebates	0.00
A/R-CCG Advertising	0.00
A/R-Jim Meyer	0.00
Employee Advances	0.00
Inventory	-2,128.26
NR - Five Star Enterprises of Wisconsin, LLC dba Pizza Pit	0.00
Prepaid Expenses	4,750.00
Prepaid Rent	0.00
Related Parties Rec. - Five Star	20,000.00
Royalties.	\$0.00
Royalties Rec-Ames, IA	0.00
Royalties Rec-Cambridge	0.00
Royalties Rec-Dream Lanes	0.00
Royalties Rec-Fiore	0.00
Royalties Rec-Fish Hatchery	0.00
Royalties Rec-Iowa City	0.00
Royalties Rec-Lk Mills/Samson	0.00
Royalties Rec-Monroe	0.00
Royalties Rec-Odana Rd, Madison	0.00
Royalties Rec-Oregon	0.00
Royalties Rec-Stoughton	0.00
Royalties Rec-Sun Prairie	0.00

Balance Sheet

Pizza Pit

As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Total for Royalties.	\$0.00
Uncategorized Asset	0.00
Undeposited Funds	0.00
Total for Other Current Assets	\$22,621.74
Total for Current Assets	\$60,799.56
Fixed Assets	
Fixed Assets	
Accum Depreciation	-\$51,748.00
Audit Depreciation Adjustments	2,173.53
Total for Accum Depreciation	-\$49,574.47
Computer Equipment	0.00
Furniture	2,531.91
Leasehold Improvements	0.00
Machinery & Equipment	115,158.00
Total for Fixed Assets	\$68,115.44
Lease Right of Use Asset	78,338.00
Section 754 Election Asset	
David Bisbee.	
Accumulated Depreciation	0.00
Current Year Depreciation	0.00
David Bisbee	0.00
Total for David Bisbee.	\$0.00
Robby Bisbee.	
Accumulated Depreciation	0.00
Current Year Depreciation	0.00
Robby Bisbee	0.00
Total for Robby Bisbee.	\$0.00
Total for Section 754 Election Asset	\$0.00
Total for Fixed Assets	\$146,453.44

Balance Sheet

Pizza Pit

As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Other Assets	
Accum Amortization	0.00
Franchise Fees	0.00
Goodwill	0.00
Preopening Expenses	0.00
Related Parties Rec - Five Star LT	88,500.00
Total for Other Assets	\$88,500.00
Total for Assets	\$295,753.00
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	22,366.82
Total for Accounts Payable	\$22,366.82
Credit Cards	
Bofa	104.95
Chase Ink	7,919.11
Total for Credit Cards	\$8,024.06
Other Current Liabilities	
Accrued Expenses	6,382.00
Cash credit balance	0.00
Contra Cash Account.	0.00
Deferred Revenue - Current	1,250.00
Gift Card Payable	-8,094.94
Lease Liability - Current Portion	19,514.00
Notes Payable Knollridge	28,571.34
NP - 5 Willows/Dave Bisbee	0.00
NP-Jim Meyer/PX	0.00
NP-McFarland State-LOC #0928	0.00
NP - Robby Bisbee	0.00
NP - Steve Meier	0.00
N/P Tie	0.00
Related Parties Payable - Rota Bota	20,000.00
Sales Tax Payable	0.00
Total for Other Current Liabilities	\$67,622.40
Total for Current Liabilities	\$98,013.28

Balance Sheet

Pizza Pit

As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Long-term Liabilities	
Deferred Revenue - Long Term	8,750.00
Lease Liabilities	61,441.00
Note Payable EIDL - LT	121,945.00
Note Payable Knollridge	-29,965.50
Note Payable Knollridge LT	36,365.00
Note Payable Rota Bota	0.00
Notes Payable-EIDL Loan	-3,080.00
NP-McFarland Loan 93520	0.00
NP-McFarland State Bank#9280	0.00
Related Parties Payable - Rota Bota LT	87,750.00
Section 754 Election LTL	
David Bisbee	0.00
Robby Bisbee	0.00
Total for Section 754 Election LTL	\$0.00
Total for Long-term Liabilities	\$283,205.50
Total for Liabilities	\$381,218.78
Equity	
Distribution	0.00
Opening Bal Equity	-6,948.97
Partner Equity-5 Willow's, LLC	-\$165,000.00
5 Willows Audit Adjustments	24,335.00
Partner-D Bisbee	-35,131.03
Partner Draws	0.00
Total for Partner Equity-5 Willow's, LLC	-\$175,796.03
Partner Equity-Bisbee	\$0.00
Partner Draws	0.00
Partner Earnings	0.00
Total for Partner Equity-Bisbee	\$0.00
Partner Equity-Jim	\$0.00
Partner Draws	0.00
Partner Earnings	0.00
Partner-J Meyer	0.00
Total for Partner Equity-Jim	\$0.00
Partner Equity-Robby Bisbee	-\$46,000.00
Partner Draws	0.00
Partner Earnings	0.00
Partner-R Bisbee	16,768.00
Robby Bisbee Audit Adjustments	5,763.00
Total for Partner Equity-Robby Bisbee	-\$23,469.00

Balance Sheet

Pizza Pit

As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Partner Equity-Steve Meier	-\$9,800.00
Partner Draws	-9,200.00
Partner Equity-S Meier	-9,448.46
Steve Meier Audit Adjustments	1,428.00
Total for Partner Equity-Steve Meier	-\$27,020.46
Partner Equity-Tom	
Partner Draws	0.00
Partner Earnings	0.00
Partner-Tom	0.00
Total for Partner Equity-Tom	\$0.00
ZZ Audit Adjustments	0.00
Retained Earnings	-0.00
Net Income	147,768.68
Total for Equity	-\$85,465.78
Total for Liabilities and Equity	\$295,753.00

Profit and Loss

Pizza Pit

January 1-October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Advertising Income	8,095.84
Bad Orders/NSF	800.00
Rebates	63,894.46
Royalties	259,129.58
Sales	702.64
Total for Income	\$332,622.52
Cost of Sales	
Cost of Goods Sold	695.77
Purchases for Resale	-230.17
Total for Cost of Sales	\$465.60
Gross Profit	\$332,156.92
Expenses	
Advertising	64,143.78
Auto Expense	104.44
Automobile Expense	9,987.95
Car Lease	5,563.40
Contract Labor	800.00
Credit Card Fees	0.43
Dues and Subscriptions	5,126.02
Equipment	2,000.00
Guaranteed Payments	
Guaranteed Payments-Robby	55,500.00
Total for Guaranteed Payments	\$55,500.00
Insurance	1,978.50
Legal Fees Expense	95.40
Licenses and Permits	108.00
Meals & Entertainment	3,649.63
Miscellaneous	-625.00
Office Expense	4,125.75
Online Service	41.70
Outside Services	75.00
Postage & Delivery	536.34
Professional Fees	13,690.00
Rent	14,084.00
Repairs & Maintenance	152.98
Supplies	27.34
Telephone	2,255.37
Travel	967.21
Utilities	0.00
Total for Expenses	\$184,388.24
Net Operating Income	\$147,768.68
Net Other Income	
Net Income	\$147,768.68

SB Acquisition, LLC
Independent Auditor's Report
And
Financial Statements
December 31, 2024 and 2023

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

1312 Norwood Dr STE 100, Bedford, Texas 76022

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Members of
SB Acquisition, LLC

Opinion

We have audited the accompanying financial statements of SB Acquisition, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SB Acquisition, LLC 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. 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 SB Acquisition, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 6 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Metwally CPA PLLC

Metwally CPA PLLC
Bedford, Texas
April 10, 2025

SB Acquisition, LLC
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 15,756	\$ 9,906
Accounts receivable, net	19,178	32,247
Prepaid expenses	4,750	1,400
Notes receivable, related parties - current portion	20,000	20,000
Total Current Assets	59,684	63,553
Non-Current Assets		
Notes receivable, related parties - net of current portion	88,500	80,000
Property and equipment, net	68,116	73,511
Operating lease right-of-use assets	78,338	72,152
Total Non-Current Assets	234,954	225,663
Total Assets	\$ 294,638	\$ 289,216
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	\$ 45,218	\$ 32,191
Due to related parties	-	21,132
Operating lease liabilities - current portion	19,514	19,980
Debt, current portion	4,500	4,500
Notes payable, related parties - current portion	48,571	48,571
Deferred revenue, current portion	1,250	1,250
Total Current Liabilities	119,053	127,624
Long Term Liabilities		
Debt, net of current portion	121,945	126,181
Notes payable, related parties - net of current portion	109,733	116,365
Operating lease liabilities - net of current portion	61,441	56,519
Deferred revenue, net of current portion	8,750	10,000
Total Long Term Liabilities	301,869	309,065
Total Liabilities	420,922	436,689
Members' Equity (Deficit)		
Members' equity (deficit)	(126,284)	(147,473)
Total Members' Equity (Deficit)	(126,284)	(147,473)
Total Liabilities and Members' Equity (Deficit)	\$ 294,638	\$ 289,216

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Royalties	\$ 275,749	\$ 200,997
Rebates	76,008	83,107
Brand development fund	37,865	50,361
Initial franchise fees	1,250	1,250
Other income	3,667	14,918
Total Revenues	394,539	350,633
 Operating Expenses		
Marketing and advertising	97,570	77,218
Guaranteed payments - related parties	59,500	54,000
Legal and professional	36,549	14,935
General and administrative	36,111	38,188
Rent	20,787	20,590
Depreciation	3,665	6,698
Total Operating Expenses	254,182	211,629
Operating Income / (Loss)	140,357	139,004
 Other Income (Expense)		
Interest income	8,500	1,099
Interest expense	(15,370)	(12,111)
Total Other Income (Expense)	(6,870)	(11,012)
 Net Income / (Loss)	\$ 133,487	\$ 127,992

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Statements of Members' Equity (Deficit)
Years Ended December 31, 2024 and 2023

Members' Equity (Deficit) At December 31, 2022	<u>\$ (155,465)</u>
Net income / (loss)	127,992
Members' distributions	(120,000)
Members' Equity (Deficit) At December 31, 2023	<u>\$ (147,473)</u>
Net income / (loss)	133,487
Members' distributions	(112,298)
Members' Equity (Deficit) At December 31, 2024	<u>\$ (126,284)</u>

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income / (loss)	\$ 133,487	\$ 127,992
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	3,665	6,698
Provision for bad debt	-	4,805
Change in assets and liabilities		
Accounts receivable	13,069	(10,750)
Prepaid expense	(3,350)	(1,400)
Accounts payable and accrued expenses	13,027	(22,247)
Due to related parties	(21,132)	15,684
Deferred revenue	(1,250)	11,250
Net Cash Flows Provided By (Used In) Operating Activities	137,516	132,032
Cash Flows From Investing Activities		
Net Cash Flows Provided By (Used In) Investing Activities	-	-
Cash Flows From Financing Activities		
Proceeds from notes, related parties	7,750	289,213
Payments of notes, related parties	(22,882)	(308,238)
Payments of loan	(4,236)	(3,774)
Members' distributions	(112,298)	(120,000)
Net Cash Flows Provided By (Used In) Financing Activities	(131,666)	(142,800)
Net Change In Cash And Cash Equivalent During The Year	5,850	(10,768)
Cash and cash equivalents - beginning of the year	9,906	20,674
Cash And Cash Equivalent - End of The Year	\$ 15,756	\$ 9,906
Supplementary Information		
Interest paid	\$ 7,620	\$ 12,111

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
December 31, 2024 and 2023
Notes To Financial Statements

1. COMPANY AND NATURE OF OPERATIONS

SB Acquisition, LLC (the Company) is a Wisconsin Limited Liability Company that was formed on January 05, 2000 under the laws of the State of Wisconsin for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own business. The Company offers qualified individuals the right to own and operate a food service unit offering pizza and other food items to the public under the mark "Pizza Pit". The Company offers individual unit franchises and area development franchises for the development of multiple Offices within a designated territory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Accounts and Notes Receivable

Accounts receivable arise primarily from amounts due from royalties, brand fund and rebates that are collected monthly and are carried at their estimated collectible amounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding accounts and notes receivable, historical collection information, existing economic conditions, and other relevant factors. At the time, any particular account receivable is deemed uncollectible, the balance is charged to the allowance for doubtful accounts

D. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from 15 to 39 years.

E. Federal Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

F. Debt

The Company accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Company accounts for debt as noncurrent if the obligation does not expire or is not due within one year.

G. Lease

Effective January 1, 2022 the Company adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842). The amended guidance requires lessees, at the commencement date, to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and to record a right-of-use ("ROU") asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. In July 2018, the FASB issued ASU 2018-11, Leases, Targeted Improvements, which gave companies the option of applying the new standard at the adoption date, rather than retrospectively to the earliest period presented in the financial statements. The Company elected the package of practical expedients permitted under the new standard, which among other things, allowed the Company to carry forward the historical lease classification. The Company also elected the practical expedient to not recognize a lease liability and ROU asset for short-term leases less than 12 months. The Company chose the option to apply the new standard at the adoption date, and therefore we are not required to restate the financial statements for prior periods, nor are the Company required to provide the disclosures required by the new standard for prior periods. Upon adoption, the Company recognized an approximate \$99,605 ROU asset, and an approximate \$99,605 lease liability. The adoption of the new standard didn't impact the cash flow or have a material impact of the Company's results of operations. The Company has expanded the financial statements disclosures to comply with the requirements of the new standard.

H. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might exceed the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

I. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

J. Advertising and Marketing

Advertising and marketing costs are charged to operations in the years incurred.

K. Revenue Recognition

The franchise arrangement between the Company and each franchise owner of the Company's Franchise is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the Company's Franchise brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise fees; (b) Royalty fees; (c) brand fund fees; (d) annual conference fees The Company considers the franchise license to be a single performance obligation, and therefore, recognized over the term of the franchise agreement or renewal which is typically 10 years.

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty, marketing, technology, and other franchise-related fees and costs. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources:

- Franchise fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years. The Company has determined that these fees, which are paid in advance when they are recognized as revenue and does not contain a significant financing component.
- Royalty fees and other revenues are reported as earned.
- Equipment sales are reported as earned at a point of time.
- IT and marketing fees paid monthly by franchisees.
- All other fees are recognized as services are rendered or when payment is received

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the advertising, marketing and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable Monthly.

Contract Assets and Liabilities

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral 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 deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed

Gross Sales Rebates

The Company receives vendor rebates primarily from negotiation with pizza distributors and vendors. These rebates are generally covered by binding agreements, which are signed agreements between various vendors and the Company. Under ASC 606, the Company's performance obligation for vendor rebates is satisfied upon the sale of a vendor's product through the Company's franchisees. As such, revenue is recorded upon receipt of franchisee sales information from the vendor.

L. Reclassifications

Certain reclassifications have been made to the 2023 financial statements in order to conform to the 2024 presentation. There were no changes to previously reported members' equity or net income as a result of the reclassifications.

M. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements. See Note 10.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments. ASU 2016-13, along with subsequent clarifications and improvements (collectively, ASC 326), replaces the incurred loss impairment methodology in prior U.S. GAAP with a methodology that instead reflects a current estimate of all expected credit losses on financial assets, including receivables. ASC 326 requires that the Company measure and recognize expected credit losses at the time the asset is recorded, while considering a broader range of information to estimate credit losses including country specific macroeconomic conditions that correlate with historical loss experience, delinquency trends and aging behavior of receivables, among others. ASC 326 is effective for the Company beginning January 1, 2023. There was no impact on the Company's financial statements as a result of the implementation of this standard.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On December 31, 2024 and 2023 the Company's cash balance did not exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2024 and 2023 the Company had approximately \$15,756 and \$9,906 respectively in cash in its bank accounts.

4. ACCOUNTS RECEIVABLE

At the years ended December 31, 2024 and 2023 accounts receivable consisted of the following:

	<u>2024</u>	<u>2023</u>
Royalty receivables	\$ 9,030	\$ 13,146
Brand fund receivable	4,211	3,167
Rebates receivable	10,742	20,739
Provision for bad debt	(4,805)	(4,805)
Total Accounts Receivables	<u>\$ 19,178</u>	<u>\$ 32,247</u>

5. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Machinery and equipment	\$ 115,158	\$ 115,158
Furniture	2,532	2,532
Total Cost	<u>117,690</u>	<u>117,690</u>
Accumulated Depreciation	(49,574)	(44,179)
Net Book Value	<u>\$ 68,116</u>	<u>\$ 73,511</u>

For the years ended December 31, 2024, and 2023, depreciation expenses amounted to \$5,395 and \$5,398 respectively.

6. RELATED PARTY TRANSACTIONS

As of December 31, 2024 the Company has a balance due from its related party, Five Star Enterprises of Wisconsin, LLC, which represents a loan with principal of \$100,000 with interest rate of 8.5% per annum initiated in December 2023, to be paid in monthly installments until December 2028.

The Company had the following amounts due from its related parties:

	<u>2024</u>	<u>2023</u>
Notes receivable, related party - current portion	\$ 20,000	\$ 20,000
Notes receivable, related party - net of current portion	88,500	80,000
	<u>\$ 108,500</u>	<u>\$ 100,000</u>

The Company has also has a balance due to its members in the amount of \$0 and \$21,132 in 2024 and 2023 respectively, which represents operating costs paid on behalf of the Company.

As of December 31, 2024 the Company has an outstanding balance owed to a related party, Rota-Bota, LLC, which represents a loan with a principal amount of \$100,000 at an interest rate of 7.75%. As of December 31, 2024, the company has an outstanding loan balance of \$107,750, comprising \$100,000 in principal and \$7,750 in accrued interest.

On August 1, 2021, SB Acquisition, LLC secured a \$200,000 loan from a related party, The Knollridge, LLC. The loan carries an interest rate of 4.25% with a maturity of seven years from the date of the promissory note. Monthly installment payments of \$2,060 including both principal and interest, commenced on January 1, 2022. As of December 31, 2024 and 2023 the outstanding loan balances were \$50,554 and \$64,936 respectively.

The Company had the following amounts due to its related parties:

	<u>2024</u>	<u>2023</u>
Due to related parties	\$ -	\$ 21,132
Notes payable, related parties - current portion	\$ 48,571	\$ 48,571
Notes payable, related parties - net of current portion	\$ 109,733	\$ 116,365

Guaranteed Payments

The Company makes guaranteed payments to one of its members for management services in the amount of \$4,000 monthly and \$1,500 quarterly from January 2023 to June 2024 and amount of \$4,750 monthly and \$2,000 quarterly from July 2024 to December 2024. The monthly payments are paid on the last day of each month, and the quarterly payments are paid on January 15th, April 15th, June 15th and September 15th respectively. These funds are reported as income to members on the K-1 forms annually. Total amounts paid for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Guaranteed Payments– related party	\$ 59,500	\$ 54,000

Rent Expenses

SB Acquisition, LLC leases a building located in 5702 HWY 51 MC Farland, WI 53558, Wisconsin from an affiliate. The lease term is 5 years, from 2022 to 2027. This agreement was terminated as of June 2024.

SB Acquisition, LLC leases a building located in PO Box 542 McFarland, Wisconsin from an affiliate. The lease term is 5 years, from 2024 to 2029.

Total amounts paid for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Rent - related parties	\$ 15,014	\$ 14,824

7. DEBT

On June 17, 2020, SB Acquisition, LLC obtained an Economic Injury Disaster Loan Program (EIDL) loan in the amount of \$135,000 with interest rate of 3.75% with 30 years maturity date from the date of the promissory note. Monthly installment payments of \$658, including both principal and interest, commenced on January 18, 2022. As of December 31, 2024, and December 31, 2023, the outstanding balance of the EDIL loan was \$126,445 and \$130,681, respectively.

Principle payments on loan balance are as follows:

	Years ending December 31,
FY 2025	4,500
FY 2026	4,500
FY 2027	4,500
FY 2028	4,500
FY 2029	4,500
Thereafter	<u>103,945</u>
Total	<u>\$ 126,445</u>

8. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Revenue recognized over time	\$ 1,250	\$ 1,250
Revenue recognized at a point in time	393,289	349,383
Total Revenue	\$ 394,539	\$ 350,633

Contract Balances

The following table provides information about the change in the franchise contract liability balances during the years ended December 31, 2024 and 2023 respectively. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 11,250	\$ -
Additional deferred revenue	-	12,500
Revenue recognized – additional deferred revenue	(1,250)	(1,250)
Deferred revenue	10,000	11,250
Less: current maturities	(1,250)	(1,250)
Deferred revenue, net of current maturities	\$ 8,750	\$ 10,000

9. ADVERTISING EXPENSES

Advertising costs for the years ended December 31, 2024 and 2023 were \$97,570 and \$77,218 respectively. These costs were expensed as incurred.

10. LEASE

The Company has a 5-years lease on a building in Farland, Wisconsin, starting in 2024 and ending in 2029. The Company also has a 3-years lease agreement for a car. The lease term starts on December 18, 2023 and ends on January 31, 2027.

Right-of-use lease assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term, we are reasonably certain to exercise. The Company's leases do not contain any material residual value guarantees or material restrictive covenants. Operating lease expense included within cost of sales and selling, general and administrative expense was as follows:

	<u>2024</u>	<u>2023</u>
Operating lease expenses under ASC 842, Leases		
Rent	\$ 20,787	\$ 20,590

The leases recorded on the balance sheet consist of the following:

	<u>2024</u>	<u>2023</u>
Assets		
ROU Assets	\$ 78,338	\$ 72,152
Liabilities		
Lease liabilities, current portion	19,514	19,980
Lease liabilities, net of current portion	61,441	56,519
	<u>\$ 80,955</u>	<u>\$ 76,499</u>

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 23,476	\$ 17,356
ROU assets obtained in exchange for lease liabilities in non-cash transactions:		
Operating lease assets obtained in exchange for operating lease liabilities	\$ 20,787	\$ 20,590
Discount rate (1)	5%	5%

- The discount rate used for existing operating leases upon adoption of Topic 842 was established based on the risk-free rates treasury note 5 years term as of January 1, 2022 as the lease didn't provide an implicit rate, the Company uses its risk free rate.

Future lease obligations for leases that have commenced were as follows as of December 31:

	Lease
FY 2025	23,812
FY 2026	24,155
FY 2027	18,385
FY 2028	18,185
FY 2029	7,729
Total Lease payment	92,265
Less : Interest	(11,310)
Present value of lease liabilities	\$ 80,955

As of December 31, 2024 the term and discount rate for the Company's leases were from 2.1 – 4.4 years and 5%, respectively.

11. LITIGATION

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 10, 2025 which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

Pizza Pit

Profit and Loss

January - September, 2024

	TOTAL
Income	
Advertising Income	30,358.07
Exempt Sales	20.99
Rebates	62,815.48
Royalties	207,083.89
Sales	150.77
Total Income	\$300,429.20
Cost of Goods Sold	
Cost of Goods Sold	150.78
Purchases for Resale	-425.38
Total Cost of Goods Sold	\$ -274.60
GROSS PROFIT	\$300,703.80
Expenses	
Advertising	55,830.99
Auto Expense	1,510.17
Automobile Expense	347.40
Car Lease	5,006.97
Contributions	2,662.00
Guaranteed Payments	
Guaranteed Payments-Robby	50,000.00
Total Guaranteed Payments	50,000.00
Insurance	2,371.25
Meals & Entertainment	126.21
Miscellaneous	-1,208.33
Office Expense	4,766.94
Postage & Delivery	340.66
Professional Fees	18,792.75
Rent	11,200.00
Repairs & Maintenance	142.43
Supplies	1,531.69
Telephone	-2,532.79
Travel	773.88
Utilities	4,788.94
Total Expenses	\$156,451.16
NET OPERATING INCOME	\$144,252.64
NET INCOME	\$144,252.64

SB Acquisition, LLC
Independent Auditor's Report
And
Financial Statements
December 31, 2023 and 2022

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

1312 Norwood Dr STE 100, Bedford, Texas 76022

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the members of
SB Acquisition, LLC

Opinion

We have audited the accompanying financial statements of SB Acquisition, LLC (the "Company") a Wisconsin Limited Liability Company, which comprise the balance sheets as of December 31, 2023 and 2022 and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SB Acquisition, LLC 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. 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 SB Acquisition, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 6 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Metwally CPA PLLC

Metwally CPA PLLC
Bedford, Texas
October 30, 2024

SB Acquisition, LLC
Balance Sheets
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 9,906	\$ 20,675
Accounts receivable, net	32,247	26,302
Prepaid expenses	1,400	-
Notes receivable, related parties - current portion	20,000	12,889
Total Current Assets	<u>63,553</u>	<u>59,866</u>
Non-Current Assets		
Notes receivable, related parties - net of current portion	80,000	69,488
Property and equipment, net	73,511	78,909
Operating lease right-of-use assets	72,152	69,177
Total Non-Current Assets	<u>225,663</u>	<u>217,574</u>
Total Assets	<u>\$ 289,216</u>	<u>\$ 277,440</u>
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	\$ 32,191	\$ 54,438
Due to related parties	21,132	5,449
Deferred revenue, current portion	1,250	-
Notes payable, related parties - current portion	48,571	20,220
Operating lease liabilities - current portion	19,980	13,525
Debt, current portion	4,500	4,500
Total Current Liabilities	<u>127,624</u>	<u>98,132</u>
Long Term Liabilities		
Deferred revenue, net of current portion	10,000	-
Notes payable, related parties - net of current portion	116,365	146,119
Operating lease liabilities - net of current portion	56,519	58,699
Debt, net of current portion	126,181	129,955
Total Long Term Liabilities	<u>309,065</u>	<u>334,773</u>
Total Liabilities	<u>436,689</u>	<u>432,905</u>
Members' Equity (Deficit)		
Members' equity (deficit)	(147,473)	(155,465)
Total Members' Equity (Deficit)	<u>(147,473)</u>	<u>(155,465)</u>
Total Liabilities and Members' Equity (Deficit)	<u>\$ 289,216</u>	<u>\$ 277,440</u>

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Statements of Operations
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Royalties	\$ 200,997	\$ 193,734
Initial franchise fees	1,250	-
Rebates	83,107	89,426
Brand development	50,361	26,260
Other income	14,918	26,825
Total Revenues	<u>350,633</u>	<u>336,245</u>
Operating Expenses		
Advertising and marketing	77,218	67,343
Guaranteed payments - related parties	54,000	55,748
General and administrative	43,954	31,366
Legal and professional	14,935	12,456
Rent	14,824	9,141
Depreciation and amortization	6,698	8,803
Total Operating Expenses	<u>211,629</u>	<u>184,857</u>
Operating Income / (Loss)	<u>139,004</u>	<u>151,387</u>
Other Income (Expense)		
Interest income	1,099	3,265
Interest expense	(12,111)	(15,554)
Net Income / (Loss)	<u>\$ 127,992</u>	<u>\$ 139,099</u>

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Statements of Members' Equity (Deficit)
Years Ended December 31, 2023 and 2022

Members' Equity (Deficit) At December 31, 2021	<u>\$ (188,150)</u>
Net income / (loss)	139,099
Members' distributions	<u>(106,414)</u>
Members' Equity (Deficit) At December 31, 2022	<u>\$ (155,465)</u>
Net income / (loss)	127,992
Members' distributions	<u>(120,000)</u>
Members' Equity (Deficit) At December 31, 2023	<u>\$ (147,473)</u>

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net income / (loss)	\$ 127,992	\$ 139,099
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,698	8,803
Provision for bad debt	4,805	3,437
Change in assets and liabilities		
Accounts receivable	(10,750)	(4,435)
Prepaid expense	(1,400)	-
Accounts payable and accrued expenses	(22,247)	(13,386)
Due to related parties	15,684	1,749
Deferred revenue	11,250	-
Net Cash Flows Provided By (Used In) Operating Activities	132,031	135,267
Cash Flows From Investing Activities		
Purchase of property and equipment	-	(2,533)
Net Cash Flows Provided By (Used In) Investing Activities	-	(2,533)
Cash Flows From Financing Activities		
Proceeds from notes, related parties	289,213	13,447
Payments of notes, related parties	(308,238)	(25,424)
Payments of loan	(3,774)	-
Members' distributions	(120,000)	(106,414)
Net Cash Flows Provided By (Used In) Financing Activities	(142,799)	(118,390)
Net Change In Cash And Cash Equivalent During The Year	(10,769)	14,343
Cash and cash equivalents - beginning of the year	20,674	6,331
Cash And Cash Equivalent - End of The Year	\$ 9,906	\$ 20,675
Supplementary Information		
Interest paid	\$ 12,111	\$ 15,554

The accompanying notes are an integral part of the financial statements.

SB Acquisition, LLC
Notes To Financial Statements
December 31, 2023 and 2022

1. COMPANY AND NATURE OF OPERATIONS

SB Acquisition, LLC (the "Company") is a Wisconsin Limited Liability Company that was formed on January 05, 2000 under the laws of the State of Wisconsin for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own business. The Company offers qualified individuals the right to own and operate a food service unit offering pizza and other food items to the public under the mark "Pizza Pit". The Company offers individual unit franchises and area development franchises for the development of multiple Offices within a designated territory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include bank accounts and cash in transit for bank deposit with maturities of three months or less to be cash equivalents.

C. Accounts and Notes Receivable

Accounts receivable arise primarily from amounts due from royalties that are collected monthly and are carried at their estimated collectible amounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding accounts and notes receivable, historical collection information, existing economic conditions, and other relevant factors. At the time, any particular account receivable is deemed uncollectible, the balance is charged to the allowance for doubtful accounts.

D. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which is range from 3-7 years.

E. Lease

Effective January 1, 2022 the Company adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842). The amended guidance requires lessees, at the commencement date, to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and to record a right-of-use ("ROU") asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. In July 2018, the FASB issued ASU 2018-11, Leases, Targeted Improvements, which gave companies the option of applying the new standard at the adoption date, rather than retrospectively to the earliest period presented in the financial statements. The Company elected

the package of practical expedients permitted under the new standard, which among other things, allowed the Company to carry forward the historical lease classification. The Company also elected the practical expedient to not recognize a lease liability and ROU asset for short-term leases less than 12 months. The Company chose the option to apply the new standard at the adoption date, and therefore we are not required to restate the financial statements for prior periods, nor are the Company required to provide the disclosures required by the new standard for prior periods. Upon adoption, the Company recognized an approximate \$92,398 ROU asset, and an approximate \$92,398 lease liability. The adoption of the new standard didn't impact the cash flow or have a material impact of the Company's results of operations. The Company has expanded the financial statements disclosures to comply with the requirements of the new standard.

F. Debt

The Company accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Company accounts for debt as noncurrent if the obligation does not expire or is not due within one year.

G. Revenue Recognition

The franchise arrangement between the Company and each franchise owner of the Company's Franchise is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the Company's Franchise brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise fees; (b) Royalty fees; (c) brand fund fees; (d) annual conference fees The Company considers the franchise license to be a single performance obligation, and therefore, recognized over the term of the franchise agreement or renewal which is typically 10 years.

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty, marketing, technology, and other franchise-related fees and costs. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources:

- Franchise fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years. The Company has determined that these fees, which are paid in advance when they are recognized as revenue and does not contain a significant financing component.
- Royalty fees and other revenues are reported as earned.
- Equipment sales are reported as earned at a point of time.
- IT and marketing fees paid monthly by franchisees.
- All other fees are recognized as services are rendered or when payment is received

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the advertising, marketing and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable Monthly.

Contract Assets and Liabilities

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral 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 deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed

Gross Sales Rebates

The Company receives vendor rebates primarily from negotiation with pizza distributors and vendors. These rebates are generally covered by binding agreements, which are signed agreements between various vendors and the Company. Under ASC 606, the Company's performance obligation for vendor rebates is satisfied upon the sale of a vendor's product through the Company's franchisees. As such, revenue is recorded upon receipt of franchisee sales information from the vendor.

H. Advertising

Advertising and marketing costs are charged to operations in the years incurred.

I. Federal Income Taxes

As a limited liability Company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

J. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

K. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the period, the total amount on deposit might exceed the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

L. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements. See Note 8.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On December 31, 2023 and 2022 the Company's cash balance did not exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2023 and 2022 the Company had approximately \$9,906 and 20,675 respectively in cash in its bank accounts.

4. ACCOUNTS RECEIVABLE

At the years ended December 31, 2023 and 2022 accounts receivable consist of the following:

	<u>2023</u>	<u>2022</u>
Royalties receivable	\$ 13,146	\$ 29,739
Brand development receivable	3,167	-
Rebates receivable	20,739	-
Provision for bad debt	(4,805)	(3,437)
Accounts receivable, net	\$ 32,247	\$ 26,302

5. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Machinery and equipment	\$ 115,158	\$ 115,158
Furniture	2,532	2,532
Accumulated depreciation	(44,179)	(38,781)
Net Book Value	\$ 73,511	\$ 78,909

Depreciation expense related to Property and Equipment in 2023 and 2022 was \$5,398 and \$5,756 respectively.

6. RELATED PARTY TRANSACTIONS

As of December 31, 2023, the Company has a balance due from its related party, Five Star Enterprises of Wisconsin, LLC, which represents a loan with principal of \$100,000 with interest rate of 8.5% per annum initiated in December 2023, to be paid in monthly installments until December 2028.

As of December 31, 2022, the Company had a balance due from a related party, Five Star Enterprises of Wisconsin, LLC, in the amount of \$82,337 which represents a loan with principal of \$100,000 with interest rate of 4.25%. The loan was fully paid at the beginning of 2023.

The Company had the following amounts due from its related parties:

	<u>2023</u>	<u>2022</u>
Notes receivable, related party - current portion	\$ 20,000	\$ 12,889
Notes receivable, related party - net of current portion	80,000	69,488
	<u>\$ 100,000</u>	<u>\$ 82,377</u>

The Company has also a balance due to its members in the amount of \$21,132 and \$5,449 in 2023 and 2022 respectively which represents operating costs paid on behalf of the Company.

As of December 31, 2023, the Company has an outstanding balance owed to a related party, Rota-Bota, LLC, which represents a loan with a principal amount of \$100,000 at an interest rate of 7.75%. The Company will commence the repayment of both principal and interest through installments beginning in January 2024.

On August 1, 2021, SB Acquisition, LLC secured a \$200,000 loan from a related party, The Knollridge, LLC. The loan carries an interest rate of 4.25% with a maturity of seven years from the date of the promissory note. Monthly installment payments of \$2,060, including both principal and interest, commenced on January 1, 2022. As of December 31, 2023, and December 31, 2022, the outstanding loan balances were \$64,936 and \$166,339, respectively.

The Company had the following amounts due to its related parties:

	<u>2023</u>	<u>2022</u>
Due to related parties	\$ 21,132	\$ 5,449
Notes payable, related parties - current portion	\$ 48,571	\$ 20,220
Notes payable, related parties - net of current portion	\$ 116,365	\$ 146,119

Guaranteed Payments

The Company makes guaranteed payments to one of its members for management services in the amount of \$4,000 monthly and \$1,500 quarterly. The monthly payments are paid on the last day of each month, and the quarterly payments are paid on January 15th, April 15th, June 15th and September 15th respectively. These funds are reported as income to members on the K-1 forms annually. Total amounts paid for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Guaranteed Payments— related party	\$ 54,000	\$ 55,748

Rent Expenses

SB Acquisition, LLC leases a parcel of Building located in 5702 HWY 51 MC Farland, WI 53558, Wisconsin from an affiliate. The lease term is 5 years, from 2022 to 2027. Total amounts paid for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Rent - related parties	14,343	4,941

7. DEBT

On June 17, 2020, SB Acquisition, LLC obtained an Economic Injury Disaster Loan Program (EIDL) loan in the amount of \$135,000 with interest rate of 3.75% with 30 years maturity date from the date of the promissory note. Monthly installment payments of \$658, including both principal and interest, commenced on January 18, 2022.

Principle payments on loan balance are as follows:

	<u>Year ended December 31</u>
FY 2024	\$ 4,500
FY 2025	4,500
FY 2026	4,500
FY 2027	4,500
FY 2028	4,500
Thereafter	108,181
Total	<u>\$ 130,681</u>

8. LEASES

The Company has a 5-year lease on a building in Farland, Wisconsin, starting in 2022 and ending in 2027. The Company also has a 5-year lease agreement for a car. The lease term starts on December 18, 2023, and ends on January 31, 2027.

Right-of-use lease assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term, we are reasonably certain to exercise. The Company's leases do not contain any material residual value guarantees or material restrictive covenants. Operating lease expense included within cost of sales and selling, general and administrative expense was as follows:

	<u>2023</u>	<u>2022</u>
Operating lease expenses under ASC 842, Leases		
Rent	\$ 14,824	\$ 4,941

The leases recorded on the balance sheet consist of the following:

	<u>2023</u>	<u>2022</u>
Assets		
ROU Assets	\$ 72,152	\$ 69,177
Liabilities		
Lease liabilities, current portion	19,980	13,525
Lease liabilities, net of current portion	<u>56,519</u>	<u>58,699</u>
	<u>\$ 76,499</u>	<u>\$ 72,224</u>

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 17,356	\$ 5,600
ROU assets obtained in exchange for lease liabilities in non-cash transactions:		
Operating lease assets obtained in exchange for operating lease liabilities	\$ 15,305	\$ 4,941
Remaining lease term	44 months	56 months
Discount rate (1)	5%	5%

- The discount rate used for existing operating leases upon adoption of Topic 842 was established based on the risk-free rates treasury note 3 years term as of January 1, 2022 as the lease didn't provide an implicit rate, the company uses its risk-free rate.

Future lease obligations for lease that have commenced were as follows as of December 31, 2023:

	Lease
FY 2024	\$ 24,155
FY 2025	24,504
FY 2026	24,861
FY 2027	12,922
Total lease payments	<u>86,442</u>
Less: Interest	<u>(9,942)</u>
Present value of lease liabilities	<u>\$ 76,499</u>

As of December 31, 2023 the term and discount rate for the Company's lease were 3 years and 8 months and 5%, respectively.

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Revenue recognized over time	\$ 1,250	\$ -
Revenue recognized at a point in time	349,383	336,245
Total Revenue	\$ 350,633	\$ 336,245

Contract balances

The following table provides information about the change in the franchise contract liability balances as of December 31, 2023 and 2022. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ -	\$ -
Additional deferred revenue	12,500	-
Revenue recognized – additional deferred revenue	(1,250)	-
Deferred revenue	11,250	-
Less: current maturities	(1,250)	-
Deferred revenue, net of current maturities	\$ 10,000	\$ -

10. ADVERTISING AND MARKETING COSTS

Advertising and marketing costs for the years ended December 31, 2023 and 2022 were \$77,218 and \$67,343 respectively. These costs were expensed as incurred.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2024 which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

Pizza Pit
Balance Sheet
As of October 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
AR - Five Star Enterprises of Wisconsin, LLC dba Pizza Pit	0.00
Cash in Bank-Lake Ridge	3,181.37
Cash in Bank-One Community Bank	3,761.15
NP - Knollridge, LLC SP Loan	5,134.45
One Community Bank-Gift Card Acct	6,820.39
zzCash in Bank-Anchor	0.00
Total Bank Accounts	\$18,897.36
Accounts Receivable	26,965.62
Accounts Receivable	82,376.47
AR - Five Star Enterprises of Wisconsin, LLC	-3,437.00
Bad Debt Reserve	-3,437.00
Total Accounts Receivable	\$105,905.09
Other Current Assets	
A/R-CCG Advertising	0.00
A/R-Jim Meyer	0.00
Accounts Receivable-Other	0.00
Accounts Receivable-Rebates	0.00
Employee Advances	0.00
Inventory	-1,078.80
Prepaid Rent	0.00
Royalties.	0.00
Royalties Rec-Ames, IA	0.00
Royalties Rec-Cambridge	0.00
Royalties Rec-Dream Lanes	0.00
Royalties Rec-Fiore	0.00
Royalties Rec-Fish Hatchery	0.00
Royalties Rec-Iowa City	0.00
Royalties Rec-Lk Mills/Samson	0.00
Royalties Rec-Monroe	0.00
Royalties Rec-Odana Rd, Madison	0.00
Royalties Rec-Oregon	0.00
Royalties Rec-Stoughton	0.00
Royalties Rec-Sun Prairie	0.00
Total Royalties.	0.00
Uncategorized Asset	0.00
Undeposited Funds	0.00
Total Other Current Assets	\$ -1,078.80
Total Current Assets	\$123,723.65

Pizza Pit
Balance Sheet
 As of October 31, 2023

	TOTAL
Fixed Assets	
Fixed Assets	
Accum Depreciation	-38,781.47
Computer Equipment	0.00
Furniture	2,531.91
Leasehold Improvements	0.00
Machinery & Equipment	115,693.00
Total Fixed Assets	79,443.44
Lease Right of Use Asset	69,177.00
Section 754 Election Asset	
David Bisbee.	
Accumulated Depreciation	0.00
Current Year Depreciation	0.00
David Bisbee	0.00
Total David Bisbee.	0.00
Robby Bisbee.	
Accumulated Depreciation	0.00
Current Year Depreciation	0.00
Robby Bisbee	0.00
Total Robby Bisbee.	0.00
Total Section 754 Election Asset	0.00
Total Fixed Assets	\$148,620.44
Other Assets	
Accum Amortization	0.00
Franchise Fees	0.00
Goodwill	0.00
Preopening Expenses	0.00
Total Other Assets	\$0.00
TOTAL ASSETS	\$272,344.09

Pizza Pit
Balance Sheet
As of October 31, 2023

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	42,604.28
Accounts Payable	42,604.28
Total Accounts Payable	\$42,604.28
Other Current Liabilities	
Accrued Expenses	11,788.16
Cash credit balance	0.00
Contra Cash Account.	0.00
Gift Card Payable	-12,822.79
Lease Liability - Current Portion	13,525.00
NP - 5 Willows/Dave Bisbee	5,448.01
NP - Steve Meier	0.00
NP-Jim Meyer/PX	0.00
NP-McFarland State-LOC #0928	0.00
Sales Tax Payable	0.00
Total Other Current Liabilities	\$17,938.38
Total Current Liabilities	\$60,542.66
Long-Term Liabilities	
Lease Liabilities	58,699.00
Note Payable Knollridge	156,988.63
Notes Payable-EIDL Loan	131,523.00
NP-McFarland Loan 93520	0.00
NP-McFarland State Bank#9280	0.00
Section 754 Election LTL	
David Bisbee	0.00
Robby Bisbee	0.00
Total Section 754 Election LTL	0.00
Total Long-Term Liabilities	\$347,210.63
Total Liabilities	\$407,753.29
Equity	
Distribution	0.00
Opening Bal Equity	0.00
Partner Equity-5 Willow's, LLC	-73,600.00
Partner Draws	0.00
Partner-D Bisbee	-134,585.14
Total Partner Equity-5 Willow's, LLC	-208,185.14

Pizza Pit
Balance Sheet
As of October 31, 2023

	TOTAL
Partner Equity-Bisbee	0.00
Partner Draws	0.00
Partner Earnings	0.00
Total Partner Equity-Bisbee	0.00
Partner Equity-Jim	0.00
Partner Draws	0.00
Partner Earnings	0.00
Partner-J Meyer	0.00
Total Partner Equity-Jim	0.00
Partner Equity-Robby Bisbee	-20,000.00
Partner Draws	0.00
Partner Earnings	0.00
Partner-R Bisbee	-27,583.54
Total Partner Equity-Robby Bisbee	-47,583.54
Partner Equity-Steve Meier	-6,400.00
Partner Draws	-3,689.85
Partner Equity-S Meier	-10,089.85
Total Partner Equity-Steve Meier	-10,089.85
Partner Equity-Tom	0.00
Partner Draws	0.00
Partner Earnings	0.00
Partner-Tom	0.00
Total Partner Equity-Tom	0.00
Retained Earnings	10,393.50
Net Income	120,055.83
Total Equity	\$ -135,409.20
TOTAL LIABILITIES AND EQUITY	\$272,344.09

Pizza Pit

Profit and Loss

January - October, 2023

	TOTAL
Income	
Advertising Income	44,356.14
Exempt Sales	1,256.00
Franchise Fees Income	12,500.00
Rebates	55,585.72
Royalties	162,774.03
Sales	7,338.69
Sales of Product Income	0.40
Total Income	\$283,810.98
Cost of Goods Sold	
Cost of Goods Sold	46.27
Purchases for Resale	-200.00
Total Cost of Goods Sold	\$ -153.73
GROSS PROFIT	\$283,964.71
Expenses	
Advertising	65,219.88
Auto Expense	2,845.82
Automobile Expense	2,962.35
Car Lease	3,771.60
Contributions	400.00
Guaranteed Payments	
Guaranteed Payments-Robby	46,000.00
Total Guaranteed Payments	46,000.00
Insurance	3,020.50
Interest Expense	
Loan Interest	2,632.00
Total Interest Expense	2,632.00
Licenses and Permits	115.26
Meals & Entertainment	380.71
Miscellaneous	-1,812.00
Office Expense	5,797.69
Postage & Delivery	-15.85
Professional Fees	11,719.40
Rent	14,000.00
Repairs & Maintenance	100.20
Supplies	3,136.24
Telephone	-3,625.05
Utilities	5,744.13
Total Expenses	\$162,392.88
NET OPERATING INCOME	\$121,571.83

Pizza Pit
Profit and Loss
January - October, 2023

	TOTAL
Other Expenses	
SBA Loan-Other Income/Expense	1,516.00
Total Other Expenses	\$1,516.00
NET OTHER INCOME	\$ -1,516.00
NET INCOME	\$120,055.83

EXHIBIT B

INDIVIDUAL UNIT AGREEMENT

SB Acquisition, LLC, d/b/a Pizza Pit

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INDIVIDUAL UNIT AGREEMENT

SB Acquisition, LLC, d/b/a Pizza Pit

This Agreement, made this ____ day of _____, 20____, by and between SB Acquisition, LLC, a limited liability company formed and operating under the laws of the State of Wisconsin and having its principal place of business at 5706 US Highway 51, McFarland, Wisconsin 53558 (hereinafter "FRANCHISOR"), and: _____, in the City of _____, in the State of _____ (hereinafter "FRANCHISEE").

INTRODUCTION

FRANCHISOR is engaged in the business of granting franchises for the operation of retail food service units ("Pizza Pit Units") using a unique food service system (the "System") for the retail sale of a menu of uniform and quality food products, emphasizing pizza and further emphasizing a recognized design, uniform standards, menu, specifications, procedures of operation and procedures of management and inventory control, and the System is identified by the mark "Pizza Pit" and other valuable trade names, trademarks, service marks and commercial symbols as are periodically designated by FRANCHISOR (collectively, the "Marks").

FRANCHISOR is the owner of all right, title and interest, together with all goodwill connected therewith, in the Marks and has the sole right to sublicense the use of the Marks in connection with the sale of franchises for the operation of Pizza Pit Units.

FRANCHISEE has applied to FRANCHISOR for a franchise to operate a Pizza Pit Unit at the location identified in this Agreement. FRANCHISEE's application has been approved by FRANCHISOR in reliance upon all of the representations made in the application including those concerning FRANCHISEE'S financial resources, other investments and interests and the manner in which the franchise will be owned and operated.

FRANCHISEE acknowledges having read this Agreement and FRANCHISOR's Uniform Franchise Offering Circular and that FRANCHISEE understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the FRANCHISOR's high standards of quality and service and the uniformity of those standards at all Pizza Pit Units.

I. APPOINTMENT AND FRANCHISE FEE

A. FRANCHISOR hereby grants to FRANCHISEE, upon the terms and conditions herein contained, the right to operate a Pizza Pit Unit and to use in connection therewith the System, as it may be changed, improved and further developed from time to time, and the Marks at one location only, such location to be:

or

2. At a location to be designated.

Provided, however, that when a location has been designated and approved by the parties, said location shall become a part of paragraph I.A.1., as if originally incorporated therein.

B. During the term of the Agreement, FRANCHISOR will not operate or grant a franchise for the operation of another Pizza Pit Unit within FRANCHISEE'S Primary Marketing Area (as described below), provided that FRANCHISEE is not in default under this Agreement, without first offering the FRANCHISEE the right to establish another Pizza Pit Unit in FRANCHISEE'S Primary Marketing Area according to the terms of the then-current Individual Unit Agreement. FRANCHISEE's Primary Marketing Area is:

_____ .

FRANCHISEE will not offer delivery service outside of its Primary Marketing Area.

C. Upon execution of this Agreement, FRANCHISEE shall pay to FRANCHISOR the sum of \$25,000 in return for which FRANCHISEE shall receive all the rights as hereinafter defined to do business as a licensed Pizza Pit FRANCHISEE, subject to compliance by FRANCHISEE with the terms of this Agreement. Said fee shall be deemed fully earned and nonrefundable upon execution of this Agreement as consideration for expenses incurred by FRANCHISOR in furnishing assistance and services to FRANCHISEE and for FRANCHISOR's lost or deferred opportunity to franchise others, except as may be specifically provided in this Agreement or any Exhibit attached hereto.

D. The Pizza Pit Unit to be operated by FRANCHISEE at the location specified in or pursuant to this Agreement will provide facilities as follows: (1) Dining Area, Delivery and Carryout Service *or* (2) Carryout and Delivery Service Only (strike (1) or (2) and initial).

II. LOCATION

A. If the franchise location is not designated above, FRANCHISOR agrees to use reasonable efforts to assist FRANCHISEE in obtaining a franchise location. The location must be approved by FRANCHISOR. Nothing contained herein shall be interpreted as a representation or guarantee that a suitable location will be found or a representation or guarantee of success for any location nor shall any recommendation or approval made by FRANCHISOR be deemed a representation that any particular location is available for use as a Pizza Pit Unit. It shall be the sole responsibility of FRANCHISEE to investigate all applicable zoning, licensing, leasing and other requirements for a proposed location, to ensure that the location selected complies with all such requirements and to arrange for the timely construction of the Pizza Pit Unit within the timetable agreed upon between FRANCHISOR and FRANCHISEE.

B. The above provisions relating to location designation do not apply if the franchise location is already designated in paragraph I.A.1., or if FRANCHISEE is acquiring an existing unit which is or had been in operation.

C. It shall be the sole responsibility of the FRANCHISEE to construct, decorate and equip its own premises as follows:

1. All plans, designated areas, interior and exterior fixtures and decorations, including, without limitation, all signage, shall comply with standards, specifications, including required layout, furnishing and fixtures as established by FRANCHISOR. No modifications or variations shall be permitted without the prior written consent of FRANCHISOR.

2. FRANCHISEE shall, at its sole expense, comply within a reasonable period of time with any reasonable requirement which FRANCHISOR may impose from time to time to modify interior and exterior fixtures and decorations, including, without limitation, all signage, to comply with standards applicable to other Pizza Pit Units.

D. All equipment shall conform to FRANCHISOR's current equipment specifications. If any changes in or additions to equipment are required by FRANCHISOR in connection with upgrading the franchise operation and System, FRANCHISEE shall modify, replace or add to the existing equipment at its sole expense, provided this requirement is fairly and uniformly applied to all FRANCHISEES.

E. FRANCHISOR and FRANCHISEE shall agree upon a time at which FRANCHISEE's Pizza Pit Unit is to be in full operation and open to the public. Such time shall be based upon FRANCHISEE's original construction schedule. In the event that FRANCHISEE'S Pizza Pit Unit, in FRANCHISOR's sole judgment, is not ready for full operation and/or ready for opening to the public at the time originally agreed upon between FRANCHISOR and FRANCHISEE, FRANCHISOR reserves the right to withhold its consent to the date of opening, as permitted by paragraph XIV.A. of this Agreement, until such time as FRANCHISOR is able to make its personnel available to provide the training and assistance specified in paragraph V.B. of this Agreement.

III. PROPRIETARY MARKS

A. FRANCHISEE agrees that the System and the Marks are the sole and exclusive property of FRANCHISOR. Nothing in this Agreement shall be construed to give FRANCHISEE or any other person any right, title, or interest in and to said Marks or in any trade names, trademarks, service marks or commercial symbols which are hereafter added to the System, except as granted herein in order to carry out the purposes of this Agreement during the term of this Agreement. FRANCHISEE further acknowledges that valuable goodwill is attached to such Marks and that FRANCHISEE will use same only in the manner and to the extent specifically licensed by this Agreement.

1. FRANCHISEE understands and agrees that its license to use the Marks is nonexclusive and that FRANCHISOR, in its sole discretion, has the right to itself to operate locations under said Marks and to grant other licenses to use the Marks on any terms and conditions FRANCHISOR deems fit; provided, however, that FRANCHISOR agrees to abide by the provisions of paragraph I.B. of this Agreement.

2. FRANCHISEE expressly covenants that during the term of this Agreement, and after the expiration or termination thereof, FRANCHISEE shall not directly or indirectly contest or aid in contesting the validity or ownership of the Marks.

3. FRANCHISEE agrees to promptly notify FRANCHISOR of any claim, demand or suit based upon or arising from the use or attempted use by any other person, firm or corporation of the Marks licensed hereunder, or any trade name, trademark, service mark, commercial symbol or colorable variation thereof, in which FRANCHISOR has or claims a proprietary interest. FRANCHISEE agrees also to promptly notify FRANCHISOR of any litigation involving the Marks instituted by any person, firm, corporation or governmental agency against FRANCHISEE. In the event FRANCHISOR, pursuant to the terms of paragraph III, undertakes the defense or prosecution of such litigation, FRANCHISEE agrees to execute and convey any and all documents and do such acts and things as may, in the opinion of counsel for FRANCHISOR, be necessary to carry out such defense or prosecution either in the name of FRANCHISOR or in the name of FRANCHISEE, as FRANCHISOR shall elect.

B. It is expressly recognized that any and all goodwill associated with said Marks, including any goodwill which might be deemed to have arisen through FRANCHISEE'S activities, inures directly and exclusively to the benefit of FRANCHISOR.

C. FRANCHISEE shall not use the name "Pizza Pit" or any Mark as part of its corporate or other business name. FRANCHISEE shall not license, register or purchase fixtures, products, supplies or equipment, or perform any other activity or incur any obligation or indebtedness, except in its individual, corporate or other business name.

D. FRANCHISEE understands and acknowledges that each and every detail of the System is important to FRANCHISOR, to FRANCHISEE, and to other licensed Pizza Pit Franchisees in order to develop and maintain uniformity of facilities and services; therefore, to enhance the reputation and goodwill of the System, FRANCHISEE accordingly covenants:

1. To operate, advertise and promote its franchise under the Mark "Pizza Pit" without prefix or suffix except as specifically approved in writing by FRANCHISOR;

2. To adopt and use the Marks licensed hereunder solely in the manner prescribed by FRANCHISOR; and

3. To carry out its business under said Marks in accordance with operational standards established by FRANCHISOR and as set forth in the Confidential Operating Manual and other documents. FRANCHISOR reserves the right to modify the Confidential Operating Manual to be furnished for use of the FRANCHISEE and the right to promulgate such additional rules and obligations concerning the use of the Marks and System as may, in the FRANCHISOR'S sole discretion, be necessary to preserve and protect the use, goodwill and integrity of the Marks and System.

E. In order to preserve the validity and integrity of the Marks and copyrights licensed herein and to assure that FRANCHISEE is properly employing the same in the operation of its franchise, FRANCHISOR or its agents shall, at all reasonable times, have the right of entry and inspection of FRANCHISEE'S premises and, additionally, shall have the right to observe the manner in which FRANCHISEE is rendering its services, to confer with FRANCHISEE'S employees and customers, and to select products and supplies for test and evaluation purposes to make certain that the services, products, ingredients, equipment and operations are satisfactory and meet the quality control provisions and performance standards established by FRANCHISOR.

F. FRANCHISEE shall, at its sole expense, acquire and maintain in good condition all sign faces for its exterior signs, and menuboards for use in the franchised business by FRANCHISEE, and FRANCHISEE shall make no other use of said sign faces during or after the term of this Agreement. FRANCHISOR shall have an option to purchase all such sign faces for fair market value for 30 days after the expiration or termination of this Agreement. If FRANCHISOR does not exercise such option, FRANCHISEE shall promptly inform FRANCHISOR of its other disposition of said sign faces, which shall not cause or create any infringement of FRANCHISOR'S Marks.

IV. TERM AND RENEWAL

A. This Agreement shall be effective and binding from the date of its execution, and the term' of this franchise shall continue for 10 years thereafter, unless sooner terminated as herein provided. FRANCHISEE may renew its franchise for one additional 10-year term, provided that the FRANCHISEE has faithfully observed and performed all its obligations hereunder during the initial term, that FRANCHISEE complies with the conditions of renewal as set forth in this paragraph, and that FRANCHISEE executes a Franchise Agreement for the renewal term with similar terms and conditions as those on which new Pizza Pit franchises are then being granted, except that no additional Franchise Fee shall be required.

B. In the event FRANCHISEE elects to renew as provided herein, FRANCHISEE shall send to FRANCHISOR its written notice of intent to renew its franchise at least six months prior to the expiration of the term then in effect but no more than 12 months prior to the expiration of such term. The above term and renewal thereof shall be subject to FRANCHISEE'S ability and right to occupy the premises from which the franchise is operated. In the event FRANCHISEE'S occupancy of said premises ceases, for any reason, prior to the expiration of the term granted herein, and any extension or renewal hereof, said term or extension shall thereupon terminate unless FRANCHISEE has obtained FRANCHISOR'S permission to relocate its franchised business to another location, as provided herein.

C. FRANCHISEE shall execute upon renewal FRANCHISOR'S then-current form of Franchise Agreement, which Agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement, including, without limitation, a different royalty and continuing service fee, an increased local advertising requirement, and a reduced Primary Marketing Area if applicable. FRANCHISEE will not be required, however, to pay again the Initial Franchise Fee provided for, or its equivalent, as a condition for renewal.

D. By signing this agreement or any renewal hereof, FRANCHISEE and FRANCHISOR both agree to release any and all claims against the other party and its subsidiaries and affiliates, and their respective officers, directors, agents and employees.

E. Prior to renewal, FRANCHISEE or its designated manager shall, at FRANCHISEE'S expense, attend and successfully complete to FRANCHISOR's reasonable satisfaction any retraining program FRANCHISOR may prescribe in the Confidential Operating Manual or otherwise in writing.

F. If FRANCHISEE'S right to occupy the premises from where the franchise is operated ceases during the term or any renewal of this Agreement, FRANCHISEE may apply to FRANCHISOR for the right to transfer its franchised business to other premises within FRANCHISEE'S Primary Marketing Area, and FRANCHISOR will not unreasonably withhold approval of such new location.

V. TRAINING AND ASSISTANCE

A. FRANCHISOR shall make training available to FRANCHISEE or its designated owner. An owner of not less than 25% of the total ownership interest of the FRANCHISEE shall attend and successfully complete, prior to opening for business, a four- to six-week training and familiarization course to be conducted at FRANCHISOR'S headquarters or at such other location as FRANCHISOR may specify in writing. Said training program shall cover all aspects of the operation of a Pizza Pit franchise, including financial controls, marketing techniques, service techniques, deployment of labor and maintenance of quality standards. All expenses incurred by FRANCHISEE or its manager in attending such program, including, without limitation, travel, room and board expense, shall be the sole responsibility of FRANCHISEE. Accommodations and travel expenses during this period shall be borne by FRANCHISEE.

B. For the first two weeks of operation of FRANCHISEE'S franchised business, FRANCHISOR will furnish to FRANCHISEE, at FRANCHISEE'S premises, at least one of FRANCHISOR's representatives for the purpose of facilitating the opening of FRANCHISEE'S Pizza Pit Unit. FRANCHISEE shall pay the reasonable travel, room and board expenses of all of FRANCHISOR's representative incurred thereby. During this period, such representative(s) will also assist FRANCHISEE in establishing and standardizing procedures and techniques essential to the operation of a Pizza Pit Unit and shall assist in training personnel.

C. If the FRANCHISOR determines in its sole discretion that FRANCHISEE is unable to satisfactorily complete the training program at FRANCHISOR'S headquarters, FRANCHISOR shall have the right to terminate this Agreement in the manner herein provided. If this Agreement is terminated pursuant to this paragraph, the FRANCHISOR shall return to FRANCHISEE fifty percent (50%) of the Franchise Fee paid to the FRANCHISOR by FRANCHISEE. Upon return of fifty percent (50%) of the Franchise Fee, the FRANCHISOR shall be fully and forever released from any claims or causes of action the FRANCHISEE may have under or pursuant to the Franchise Agreement.

D. The training described in paragraphs A and B above will not be required of or offered to previously-trained and experienced FRANCHISEES who enter into a new Franchise Agreement with FRANCHISOR.

E. FRANCHISOR from time to time may provide and may require that previously-trained and experienced FRANCHISEES or their managers attend and successfully complete refresher training programs or seminars at such location as may be designated by FRANCHISOR, and at FRANCHISEE'S expense.

F. FRANCHISOR may, from time to time, when available and at its discretion, send to FRANCHISEE promotional materials and bulletins on new products and new sales and marketing developments and techniques.

VI. CONFIDENTIAL OPERATING MANUALS

A. In order to protect the reputation and goodwill associated with the Marks and to maintain the uniform standards of operation thereunder, FRANCHISEE shall conduct its Pizza Pit franchise in strict accordance with FRANCHISOR's Confidential Operating Manuals, as they may be amended by FRANCHISOR from time to time. A copy of the Confidential Operating Manuals will be loaned by FRANCHISOR to FRANCHISEE.

B. FRANCHISEE shall at all times treat as confidential, and shall not at any time disclose, copy, duplicate, record or otherwise reproduce, in whole or in part, or otherwise make available to any unauthorized person or source, the contents of said Manuals or the recipes or other trade secrets of FRANCHISOR.

C. The Confidential Operating Manuals shall at all times remain the sole property of FRANCHISOR and shall promptly be returned upon the expiration or other termination of this Agreement.

D. FRANCHISOR may, from time to time, revise the content of said Manuals so as to convey to FRANCHISEE advancements and new developments in sales, marketing and operational techniques and other items and procedures relevant to the operation of the franchised business.

VII. MODIFICATION OF THE SYSTEM

A. FRANCHISEE recognizes and agrees that from time to time hereafter FRANCHISOR may change or modify the System presently identified by the Marks, including the adoption and use of new or modified trade names, trademarks, service marks or commercial symbols, new products, new equipment or new techniques, and that FRANCHISEE will accept, use and display for the purpose of this Agreement any such changes in the System, as if they were part of this Agreement at the time of execution hereof. FRANCHISEE will make such expenditures as such changes or modifications in the System may reasonably require.

B. The FRANCHISEE will, at its sole expense, obtain and maintain at all times during the term of this Agreement, electronic telephone facsimile ("fax") equipment or such other telecommunications or information processing equipment as may from time to time be required by the FRANCHISOR for use in the operation of the franchised business. All such fax equipment must meet the then-current standards and specifications established by the FRANCHISOR, and must be in operation at all times during business hours to send and receive information.

C. The FRANCHISEE will, at its sole expense, obtain and maintain at all times during the term of this Agreement, such computer and information processing hardware and software as may from time to time be required by the FRANCHISOR for use in the operation of the franchised business. All such equipment must meet the then-current standards and specifications established by the FRANCHISOR, and must be operated and accessible in accordance with the FRANCHISOR'S standards and specifications. This requirement may be waived by the FRANCHISOR, in its sole discretion, for part, or all, of the term of this Agreement.

VIII. ADVERTISING

Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of Pizza Pit Units, FRANCHISEE agrees as follows:

A. FRANCHISEE agrees to spend, prior to and during the first 13 weeks after the opening of FRANCHISEE'S Pizza Pit Unit, an amount agreed upon between FRANCHISOR and FRANCHISEE for local advertising and promotion of FRANCHISEE'S Pizza Pit Unit in accordance with a Grand Opening Advertising and Promotion Program developed by FRANCHISOR.

B. FRANCHISEE will submit to FRANCHISOR or its designated agency, for its prior approval, all sales promotion materials and advertising to be used by FRANCHISEE, including, but not limited to, newspapers, radio and television advertising, specialty and novelty

items, signs, boxes, bags and wrapping papers. In the event written or oral disapproval of said advertising and promotional material is not received by FRANCHISEE from FRANCHISOR or its designated agency within 20 days from the date such material is received by FRANCHISOR, said materials shall be deemed approved. Failure by FRANCHISEE to conform with the provisions herein and subsequent nonaction by FRANCHISOR to cure or remedy this failure and default shall not be deemed a waiver of future or additional failures and defaults or of any other provision of this Agreement with respect to the Marks or advertising. The submission of advertising to FRANCHISOR for approval shall not affect FRANCHISEE'S right to determine the prices at which FRANCHISEE sells its products.

C. Beginning the first day FRANCHISEE'S Pizza Pit Unit opens for operation, FRANCHISEE will spend each quarter on local advertising and promotion an amount equal to at least three percent (3.0%) of FRANCHISEE'S quarterly gross receipts or such lesser amount as designated by FRANCHISOR. Such expenditures shall be made directly by FRANCHISEE, subject to approval and direction by FRANCHISOR or FRANCHISOR'S designated advertising agency. On or before the 15th of each month FRANCHISEE shall furnish to FRANCHISOR, in a manner approved by FRANCHISOR, an accurate accounting of the previous month's expenditures on local advertising and promotion.

D. As part of its local advertising and promotion, FRANCHISEE shall effectively use the Internet to advertise and promote its Pizza Pit Unit which Internet advertising and promotion shall include, without limitation, maintaining a web site approved by FRANCHISOR, and advertising on search engines (e.g., Google and Yelp) and social networks (e.g., Facebook and Twitter).

E. FRANCHISEE shall pay without offset, credit or deduction of any nature to FRANCHISOR, so long as this Agreement shall be in effect, an Advertising Fee equal to one (1.00%) of the total gross receipts derived from the Pizza Pit Unit franchised hereunder. Said Advertising Fee shall be paid weekly in the same manner as specified below for the FRANCHISEE's payment of the Continuing Services and Royalty Fee. The Advertising Fee will be deposited by FRANCHISOR in a system-wide advertising fund which will be administered by Pizza Pit in its discretion for the mutual benefit of all Pizza Pit franchisees.

F. FRANCHISEE shall not advertise or use in advertising or any other form of promotion the Marks of FRANCHISOR without appropriate ED or ® copyright and registration marks or the designation TM where applicable.

IX. CONTINUING SERVICES AND ROYALTY FEE

A. FRANCHISEE shall pay without offset, credit or deduction of any nature, to FRANCHISOR, so long as this Agreement shall be in effect, a Continuing Services and Royalty Fee equal to four and one-quarter percent (4.25%) of the total gross receipts derived from the Pizza Pit Unit franchised hereunder. Said fee shall be paid weekly in the manner specified below or as otherwise prescribed in the Confidential Operating Manual.

1. Before FRANCHISEE opens the Pizza Pit Unit, FRANCHISEE will sign and deliver to FRANCHISOR appropriate electronic funds transfer preauthorization

draft forms, substantially in the form of the document attached hereto as Exhibit G, or as otherwise prescribed by FRANCHISOR'S and/or FRANCHISEE'S bank. By signing these forms, FRANCHISEE authorizes FRANCHISOR to withdraw money from FRANCHISEE'S account and deposit in FRANCHISOR'S account, on a weekly basis, the estimated and/or actual Continuing Services and Royalty Fees, interest, late fees and other charges that FRANCHISEE will owe under this Agreement or any other agreement FRANCHISEE has with FRANCHISOR.

2. FRANCHISEE agrees that, on a weekly basis, FRANCHISOR may withdraw from FRANCHISEE'S account and deposit into FRANCHISOR'S account estimated Continuing Services and Royalty Fees, such estimates to be based on estimated gross receipts of FRANCHISEE'S Unit. Such withdrawals shall be made automatically using the form ("Transfer Form") attached hereto as Exhibit G, or other similar form prescribed by FRANCHISOR'S and/or FRANCHISEE'S bank. FRANCHISEE must sign the Transfer Form as a condition of this Agreement and must further promptly notify FRANCHISOR of any changes in FRANCHISEE'S bank and execute a new Transfer Form as necessary for FRANCHISOR to continue the automatic withdrawals. For the first year of operation, and before FRANCHISEE opens the Pizza Pit Unit, FRANCHISEE and FRANCHISOR will negotiate and agree to the amount of estimated gross receipts for each calendar quarter. Thereafter, estimated gross receipts shall be based on the actual gross receipts for the corresponding calendar quarter of the previous year. Following each calendar quarter and a determination of actual gross receipts for the quarter, the parties hereto will reconcile and adjust the Continuing Services and Royalty Fees for the previous quarter based on actual gross receipts for the calendar quarter. This reconciliation and adjustment will occur within 30 days of the end of each calendar quarter. In the event additional fees are owed by FRANCHISEE, FRANCHISEE hereby authorizes FRANCHISOR to automatically withdraw such additional Continuing Services and Royalty Fees using the Transfer Form. Overpayments by FRANCHISEE will either be credited toward future Continuing Services and Royalty Fees or returned to FRANCHISEE, at FRANCHISOR'S discretion.

3. On or before Wednesday of each week, FRANCHISEE will submit to FRANCHISOR on a form approved by FRANCHISOR, a correct statement, signed by FRANCHISEE, of FRANCHISEE'S gross receipts for the week ended the previous Sunday. FRANCHISEE will make available for reasonable inspection at reasonable times by FRANCHISOR all original books and records that FRANCHISOR may deem necessary to ascertain FRANCHISEE'S gross receipts.

4. The term "gross receipts" means the total of all sales of merchandise and all business transacted in, on, upon and from the premises of the Pizza Pit Unit, but exclusive of sales and equivalent taxes and bona fide discounts for coupons and other sales promotions, refunds and credits for returned merchandise, employee food, waste and bad orders.

B. In the event FRANCHISEE fails to pay any Continuing Services and Royalty Fee due under this paragraph or any amounts due for purchases from the FRANCHISOR or other payments due to the FRANCHISOR or its affiliates within 15 days after it is due, time being specifically of the essence of each such payment, FRANCHISEE shall pay interest on the amount due at the rate of one and one-half percent (1 ½%) per month for each and every month

that said amount is not paid, but in no event shall FRANCHISEE be compelled to pay interest at a rate greater than the maximum permitted by applicable law. Payment by FRANCHISEE to FRANCHISOR of such interest and the acceptance thereof by the FRANCHISOR shall not constitute a waiver of the default created by nonpayment when due of these fees and FRANCHISOR may, notwithstanding the payment of interest, exercise any rights or remedies granted by the agreement or law for such default. Additionally, in the event any such payment is more than 15 days overdue and until any such amount is brought current, with all interest due thereon having been paid in full, all goods and services sold by FRANCHISOR and/or any of its affiliates to FRANCHISEE shall be on a C.O.D. basis only. Placement of FRANCHISEE on such C.O.D. basis shall be without prejudice to FRANCHISOR'S right to exercise its other remedies under this Agreement, as well as its remedies at law and in equity.

X. MAINTENANCE AND REPAIRS

A. FRANCHISEE, at its expense, shall at all times during the term of this Agreement, maintain the interior and exterior of the franchised premises, equipment and furnishings in good repair, attractive appearance and sound operating condition. FRANCHISEE, at the request of FRANCHISOR, shall make necessary repairs to the premises in order to maintain uniform appearance and to protect the reputation of the System. FRANCHISEE shall not, without FRANCHISOR'S prior written approval, make any change in the layout and decor of the Pizza Pit Unit franchised hereunder. All such repairs and changes shall be commenced by FRANCHISEE within a reasonable time after notice from FRANCHISOR, and FRANCHISEE agrees to proceed with due diligence until completion.

B. In the event FRANCHISEE does not maintain the premises as required above, FRANCHISOR, after notice to FRANCHISEE, and at its option, may order the necessary maintenance and repairs and charge the cost of same to FRANCHISEE. If FRANCHISOR, pursuant to this provision, makes or directs the making of repairs, FRANCHISOR shall not be liable for interruption of the FRANCHISEE'S business during the course of making such repairs and shall not incur any liability to the FRANCHISEE resulting from the making of said repairs.

XI. ACCOUNTING AND RECORDS

A. To enable FRANCHISEE and FRANCHISOR to best ascertain FRANCHISEE'S costs and to maintain an economical method of operation, FRANCHISEE agrees to keep and preserve, for at least three years from the dates of their preparation, full, complete and accurate books and accounts in accordance with generally accepted accounting principles and in the form and manner as may be prescribed by the FRANCHISOR.

B. Unless otherwise agreed by FRANCHISOR, FRANCHISEE will supply to FRANCHISOR on or before the 15th day of each month, in the form approved by FRANCHISOR, an activity report and an operating (i.e., profit and loss) statement of receipts and disbursements for the last preceding calendar month. Additionally, FRANCHISEE shall, at its expense, submit to FRANCHISOR within 90 days of the end of each calendar year during the term of this Agreement, an income statement for such calendar year and a balance sheet for the last date of such year. Such annual statements shall be prepared by an independent certified public accountant in accordance with generally accepted accounting principles. Upon providing

timely notice to FRANCHISEE, FRANCHISOR may require that the statements for any year be audited.

C. FRANCHISEE shall submit to FRANCHISOR such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Confidential Operating Manual or otherwise in writing.

D. FRANCHISOR's representatives shall have the right at all reasonable times to inspect FRANCHISEE'S books, records and cash control devices or system. If such inspection reveals that the gross receipts reported by FRANCHISEE to FRANCHISOR are less than the gross receipts ascertained by such inspection, then FRANCHISEE shall immediately pay to FRANCHISOR the amount owing to FRANCHISOR in accordance with the corrected gross receipts report. In addition to payment of the aforementioned amount, upon the discovery of a discrepancy in the report of gross receipts of two percent (2%) or more, FRANCHISEE shall pay and reimburse FRANCHISOR for any and all expenses connected with said inspection, including, but not limited to, reasonable accounting and legal fees, as well as interest on the unreported receipts at the rate of one and one-half percent (1 1/2%) per month from the date said payment was due, but in no event shall FRANCHISEE be compelled to pay interest at a rate greater than the maximum permitted by applicable law. Such payments are without prejudice to any other remedies FRANCHISOR may have under this Agreement.

E. FRANCHISEE acknowledges that nothing contained herein constitutes the FRANCHISOR'S agreement to accept any payments after same are due or a commitment by the FRANCHISOR to extend credit to or otherwise finance FRANCHISEE'S operation of the franchised business. Further, FRANCHISEE acknowledges that his failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as herein provided.

XII. STANDARDS OF QUALITY

A. FRANCHISEE recognizes that it is essential to the proper marketing of Pizza Pit Units and products and to the preservation and promotion of their reputation and acceptance by the public at large, that uniform standards of quality, taste, and of food appearance be maintained; that uniform quantities, volumes and types of food be maintained; that uniform recipes be used; and that cartons and other paper goods of uniform size, quality, texture, absorbency, strength, finish and appearance, displaying FRANCHISOR'S Marks, be used in distribution to the public. FRANCHISEE therefore agrees, as part of the consideration for this Agreement, that FRANCHISEE will at all times dispense, sell or offer for sale to the public, only such articles, foods or other products as shall meet the reasonable specifications and standards from time to time designated in writing by FRANCHISOR for sale and service from or at the Pizza Pit Unit licensed herein; and FRANCHISEE shall sell, serve and dispense all such articles, foods and other products as shall meet all such specifications and standards designated by FRANCHISOR.

B. As to equipment, fixtures, furniture and signs, FRANCHISOR will provide FRANCHISEE with specifications for pizza and beverage, preparation, dispensing, storage and display equipment, delivery and related motor vehicles, other equipment, fixtures, furniture, exterior and interior signs and decorating required for the Pizza Pit Unit. All such

items used by FRANCHISEE in the operation of its Pizza Pit Unit must conform with such specifications established by FRANCHISOR from time to time. FRANCHISEE may purchase items meeting FRANCHISOR'S specifications from any source. If FRANCHISEE proposes to purchase or lease items not previously approved by FRANCHISOR as meeting FRANCHISOR'S specifications, FRANCHISEE must first notify FRANCHISOR in writing and FRANCHISOR may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether any such items meet FRANCHISOR'S specifications. FRANCHISOR will advise FRANCHISEE within a reasonable time whether any proposed item meets FRANCHISOR'S specifications. FRANCHISOR reserves the right to charge FRANCHISEE for its reasonable expenses in testing and/or evaluating any proposed item submitted by FRANCHISEE.

C. As to pizza ingredients, supplies and materials, all pizza ingredients, beverage products, cooking materials, containers, packaging materials, other paper and plastic products, utensils, uniforms, menus, forms, cleaning and sanitation materials and other supplies and materials used in the operation of the Pizza Pit Unit must conform to the specifications and quality standards established by FRANCHISOR from time to time. FRANCHISEE must use in the operation of the Pizza Pit Unit boxes, containers and other paper or plastic products imprinted with the Marks as prescribed from time to time by FRANCHISOR. FRANCHISOR may in its sole discretion require that ingredients, supplies and materials used in the preparation, packaging and delivery of pizza be purchased exclusively from FRANCHISOR or from approved suppliers or distributors. Any ingredient, supply or material not previously approved by FRANCHISOR as conforming to its specifications and quality standards must be submitted for examination and/or testing prior to use. FRANCHISOR reserves the right from time to time to examine the facilities of any approved supplier or distributor, including the commissary, if any, operated by FRANCHISEE, and to conduct reasonable testing and inspection of the ingredients, materials or supplies to determine whether they meet FRANCHISOR'S standards and specifications as the same may be revised from time to time. FRANCHISOR also reserves the right to charge fees for testing and evaluating proposed suppliers or distributors and examining and inspecting commissary operations and to impose reasonable limitations on the number of approved suppliers or distributors of any product. Approval of a supplier or distributor may be conditioned on requirements relating to frequency of delivery, standards of service, including prompt attention to complaints and the ability to service and supply Pizza Pit Units within areas designated by FRANCHISOR.

D. FRANCHISOR'S special formulations of spice packs for pizza sauce, pizza dough, sausage, meatballs, taco pizza and marinara sauce, if any, are specifically acknowledged by FRANCHISEE to be unique and identifiable features of the Pizza Pit Mark and System which must be purchased by FRANCHISEE from FRANCHISOR or other suppliers in accordance with this paragraph.

E. FRANCHISEE may not, either directly or indirectly, engage in the business of wholesale distribution of pizza ingredients, beverage products and related supplies and materials. FRANCHISEE shall not sell or dispense any products, food or non-food services or conduct, sanction or permit activities except those specifically recognized and approved by FRANCHISOR as part of the franchised business without prior written approval of FRANCHISOR. No alcoholic beverages shall be offered for sale or consumption at the franchised Pizza Pit Unit or otherwise consumed at the franchised Pizza Pit Unit without FRANCHISOR's prior written approval of the same. FRANCHISEE acknowledges that failure of FRANCHISEE to comply with these provisions could adversely impact the Pizza Pit franchise system.

XIII. INSURANCE

A. FRANCHISEE shall procure, prior to the commencement of business, and thereafter maintain in full force and effect during the term of this Agreement, at FRANCHISEE'S expense, an insurance policy or policies protecting FRANCHISEE and FRANCHISOR, and their subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees, against any loss, liability, personal injury, death, property damage, or expense whatsoever arising from or occurring upon or in connection with the franchised business, as well as such other insurance applicable to such other special risks created by FRANCHISEE or FRANCHISEE'S affiliated businesses, if any, as FRANCHISOR may reasonably require for its own and FRANCHISEE'S protection. FRANCHISOR, and its subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees shall be named additional insureds in such policy or policies.

B. Such policy or policies shall be written by a responsible insurance company satisfactory to FRANCHISOR, shall be in accordance with standards and specifications set forth in the Confidential Operating Manual or otherwise in writing, and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for any franchisees from time-to-time by FRANCHISOR in the Confidential Operating Manual or otherwise in writing) the following:

1. Comprehensive general liability insurance with a combined single limit of at least \$1,000,000, plus a \$1,000,000 umbrella policy, including coverage of products liability, property damage, personal injury, injury from use of owned and non-owned automobiles and damages to such automobiles and, if applicable, liability arising from the sale of beer or wine.

2. Worker's Compensation and employer's liability insurance as well as such other insurance as may be required by statute or rule of the state in which the franchised business is located and operated.

C. FRANCHISEE'S obligations to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by FRANCHISOR, nor shall FRANCHISEE'S performance of that obligation

relieve it of liability under the indemnity provisions set forth in Paragraph XXI.C. of this Agreement.

D. Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, FRANCHISEE shall promptly submit evidence of satisfactory insurance and proof of payment therefor to FRANCHISOR, together with, upon request, copies of all policies and policy amendments. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without at least thirty (30) days prior written notice to FRANCHISOR.

E. Should FRANCHISEE, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time-to-time for all FRANCHISEES by the Confidential Operating Manual or otherwise in writing, FRANCHISOR shall have the right and authority, but not the obligation, immediately to procure such insurance and to charge same to FRANCHISEE, which charges, together with a reasonable fee for FRANCHISOR'S expenses in so acting, shall be payable by FRANCHISEE immediately upon notice.

XIV. COMMENCEMENT AND HOURS OF OPERATION

A. FRANCHISEE shall commence operation not later than six months after the site has been approved by FRANCHISOR. Prior to such opening, FRANCHISEE shall have procured all necessary licenses, permits and approvals, shall have hired and trained personnel, made all leasehold improvements, and purchased initial inventory. If FRANCHISEE for any reason fails to commence operation as herein provided, unless FRANCHISEE is precluded from doing so by war or civil disturbance, natural disaster or labor dispute, such failure shall be considered a default and FRANCHISOR may terminate this Agreement as herein provided. FRANCHISEE may not commence operation without FRANCHISOR'S prior written consent to do so.

B. FRANCHISEE recognizes that continuous and daily availability of products and services to the public is essential to the adequate promotion of Pizza Pit restaurants and that any failure to provide such availability affects FRANCHISOR and other Franchisees both locally and nationally. FRANCHISEE shall keep its Pizza Pit restaurant open for business every day of the year except Christmas Eve, Christmas, Easter, Memorial Day, Thanksgiving Day and one evening designated by FRANCHISEE and approved in writing by FRANCHISOR for an annual holiday party, during the hours specified or approved in writing by FRANCHISOR or required by the lease of the premises on which the franchised business is operated, except where prohibited or otherwise regulated by governmental authority; and FRANCHISEE shall otherwise conduct the business in accordance with generally accepted business standards. These requirements may be changed by FRANCHISOR from time to time.

XV. COVENANTS

A. During the term of this Franchise Agreement or any extension thereof:

1. An owner of not less than 25% of the total ownership interest of the FRANCHISEE shall devote full time, energy and effort to the management and operation of

the Pizza Pit Unit, except to the extent that FRANCHISOR may specifically agree otherwise in writing.

2. FRANCHISEE (or any owner of FRANCHISEE or member of any such owner's immediate family) shall not, either directly or indirectly, for itself, himself or herself or on behalf of or in conjunction with any other person, persons, partnership or corporation own, maintain, engage in, participate or have any interest in the operation of any restaurant or carryout or delivery service offering pizza, submarine-style sandwiches, or other Italian food products similar to those offered by Pizza Pit Units. This prohibition shall not apply to any interest in additional Pizza Pit Units. This prohibition shall not prohibit ownership by FRANCHISEE or other person subject to this covenant of outstanding securities of any corporation whose securities are publicly held and traded, provided that said securities are held by FRANCHISEE for investment purposes only and that FRANCHISEE'S total holdings do not constitute more than five percent (5%) of the outstanding securities of said corporation.

B. FRANCHISEE further covenants that during the term of this Agreement or any extensions or renewals thereof, and for a period of two years thereafter, regardless of the cause of termination or nonrenewal, FRANCHISEE (or any owner of FRANCHISEE or member of any such owner's immediate family) shall not:

1. Divert or attempt to divert any business of or any customers of the Pizza Pit Unit licensed hereunder to any other competitive establishment, by direct or indirect inducement or otherwise.

2. Employ or seek to employ any person employed by FRANCHISOR, or any other person who is at that time operating or employed by or at any other Pizza Pit Unit, or otherwise directly or indirectly induce such persons to leave their employment thereat.

C. FRANCHISEE further covenants that for a period of two years after the termination or nonrenewal of the franchise, regardless of the cause of termination, neither it nor any owner of FRANCHISEE or member of any such owner's immediate family shall, within FRANCHISEE'S Primary Marketing Area, either directly or indirectly, for itself, or on behalf of or in conjunction with any other person, persons, partnership or corporation, own, maintain, engage in or participate in the operation of any restaurant or carryout or delivery service offering pizza, submarine-style sandwiches, gyros, or other Italian food products similar to those offered by Pizza Pit Units.

D. FRANCHISEE shall not, during the term of this Agreement, or after its termination or nonrenewal, communicate or divulge to any other person, persons, partnership or corporation, except to such of its employees, agents or contractors as must know for purposes of operating the franchised business, any information or knowledge concerning the methods of manufacture, recipes, preparation, promotion, sale or distribution used in a Pizza Pit franchise nor shall FRANCHISEE disclose or divulge in whole or in part, any trade secrets or private processes of FRANCHISOR or its affiliated companies. FRANCHISEE shall require each of its employees, agents and contractors with access to such information to execute a nondisclosure agreement in a form approved by FRANCHISOR.

E. FRANCHISEE acknowledges that a violation of any covenant in this paragraph will cause irreparable damage to FRANCHISOR, the exact amount of which may not be subject to reasonable or accurate ascertainment, and therefore, FRANCHISEE does hereby consent that in the event of such violation, FRANCHISOR shall, as a matter of right, be entitled to injunctive relief to restrain FRANCHISEE, or anyone acting for or on his behalf, from violating said covenants, or any of them. Such remedies, however, shall be cumulative and in addition to any other remedies to which FRANCHISOR may then be entitled. FRANCHISEE represents and acknowledges that in the event of the termination of this Agreement for whatever cause, FRANCHISEE'S experience and capabilities are such that FRANCHISEE can obtain employment in business engaged in other lines or of a different nature than that of the operation of a Pizza Pit franchise and that the enforcement of a remedy by way of injunction will not prevent FRANCHISEE from earning a livelihood. In the event FRANCHISOR prevails in any suit to enforce any provision hereof, FRANCHISOR shall be entitled to receive, in addition to any relief or remedy granted, the cost of bringing such suit, including reasonable attorneys' fees. The covenants set forth in this paragraph shall survive the termination or expiration of this Agreement.

F. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this paragraph XV is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which FRANCHISOR is a part, FRANCHISEE expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this paragraph.

XVI. DEFAULT AND TERMINATION

A. FRANCHISEE shall be deemed to be in default under this Agreement and all rights granted to FRANCHISEE hereunder shall thereupon terminate effective immediately upon delivery of notice to FRANCHISEE, and such termination shall be deemed for good cause where the grounds for such termination are:

1. FRANCHISEE becomes insolvent or makes a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if a petition in bankruptcy is filed by FRANCHISEE, or such a petition is filed against and consented to by FRANCHISEE or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver of FRANCHISEE or other custodian for FRANCHISEE'S business or assets is filed and consented to by FRANCHISEE, or if a receiver or other custodian (permanent or temporary) of FRANCHISEE'S assets or property, or any part thereof, is appointed;

2. FRANCHISEE is convicted of a felony or any other crime or engages in any activity which may reasonably be expected to materially impair the goodwill associated with any of FRANCHISOR'S Marks;

3. FRANCHISEE voluntarily abandons the franchised business;

4. FRANCHISEE repeatedly fails to comply with the lawful provisions of the franchise or other agreement, whether or not such noncompliance is corrected after notice. "Repeatedly" as used herein means three or more times within any 12-month period or five or more times during the term and/or extended term of this Agreement.

5. FRANCHISEE suffers cancellation of or fails to renew or extend the lease or sublease for or otherwise fails to maintain possession of the premises occupied by the Pizza Pit Unit and fails to secure a suitable alternative premises approved by FRANCHISOR.

B. Except as provided in paragraph A, if FRANCHISEE shall be in default under the terms of this Agreement and such default shall not be cured within 30 days after receipt of written "Notice to Cure" thereof from FRANCHISOR, in addition to all other remedies at law or in equity, FRANCHISOR may immediately terminate this Agreement. FRANCHISEE shall be in default and the following shall constitute good cause under this Agreement:

1. Failure to timely pay Continuing Services and Royalty Fees, amounts due for purchases from the FRANCHISOR or other payments due to the FRANCHISOR, its affiliates or other suppliers to the Pizza Pit Unit;

2. FRANCHISEE's failure to submit reports or financial data which FRANCHISOR requires under this Agreement;

3. Any purported transfer by FRANCHISEE of any rights or obligations under this Agreement to any third party without FRANCHISOR's prior written consent, contrary to the terms of this Agreement;

4. FRANCHISEE's failure to comply with any of the requirements imposed upon it by this Agreement, the Confidential Operating Manual, or other such operational memoranda issued by FRANCHISOR, or FRANCHISEE'S bad faith in carrying out the terms of this Agreement;

5. The filing by FRANCHISEE of any report required to be made under this Agreement, which report is discovered to be false;

6. FRANCHISOR reasonably deems itself insecure with respect to FRANCHISEE'S ability to duly perform its obligations under this Agreement or any ancillary agreement, in which event FRANCHISEE must, within 30 days after its receipt of written "Notice to Cure," provide FRANCHISOR with adequate assurance of FRANCHISEE'S ability to perform.

C. In addition to FRANCHISOR's right to terminate this Agreement, and not in lieu of such right or any other rights against FRANCHISEE, FRANCHISOR, in the event that FRANCHISEE shall not have cured a default under this Agreement within the 30 days after receipt of the written "Notice to Cure" from FRANCHISOR, may, at its option, enter upon the premises of the Pizza Pit Unit licensed herein and exercise complete authority with respect to the operation of said business until such time as FRANCHISOR determines that the default of FRANCHISEE has been cured and that there is compliance with the requirements of this Agreement. FRANCHISEE specifically agrees that a designated representative of FRANCHISOR may take over, control and operate such business, and that FRANCHISEE shall pay

FRANCHISOR a service fee of not less than \$100.00 per day plus all travel expenses, room and board and other expenses reasonably incurred by such representative so long as it shall be required by the representative to enforce compliance herewith. FRANCHISEE further agrees that if, as herein provided, FRANCHISOR temporarily operates for FRANCHISEE the business licensed herein, FRANCHISEE agrees to indemnify and hold harmless FRANCHISOR and any representative of FRANCHISOR who may act hereunder, respecting any and all acts and omissions which FRANCHISOR may perform or fail to perform in regard to the interests of FRANCHISEE or third parties.

D. To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, not be effective, and FRANCHISOR shall comply with applicable law in connection with each of these matters.

E. FRANCHISEE'S obligations pursuant to this Agreement shall in no way be affected by the filing of a petition in bankruptcy by or against FRANCHISOR.

XVII. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

A. Upon termination or expiration of this Agreement or any extension or renewal hereof, FRANCHISEE shall immediately cease to be a licensed Pizza Pit FRANCHISEE and:

1. FRANCHISEE shall promptly pay FRANCHISOR Continuing Services and Royalty Fees, amounts owed for products purchased by FRANCHISEE from FRANCHISOR or its affiliates, interest due the FRANCHISOR and its affiliates on any of the foregoing, and all other amounts owed to FRANCHISOR and its affiliates which are then unpaid. FRANCHISEE also shall promptly pay FRANCHISOR all damages, costs and expenses, including reasonable attorneys' fees, incurred by FRANCHISOR by reason of default on the part of FRANCHISEE, whether or not such occurred prior to or subsequent to the termination or expiration of the franchise, and said sums shall include all costs and expenses, including reasonable attorneys' fees, incurred by FRANCHISOR in obtaining injunctive or other relief to enforce the provisions of this Agreement.

2. FRANCHISEE shall immediately thereafter cease to use, by advertising or in any manner whatsoever, the Mark "Pizza Pit" and the other Marks and any forms, manuals, slogans, signs, symbols or devices used in connection with the FRANCHISOR's system. FRANCHISEE shall, at its sole expense, alter the appearance of buildings, premises and equipment as reasonably required to remove any identification of said building, premises or equipment with FRANCHISOR or FRANCHISOR's system. FRANCHISEE shall not represent or advertise that FRANCHISOR or FRANCHISEE were formerly parties to this Franchise Agreement or that FRANCHISEE did business under the Marks or name of FRANCHISOR.

3. FRANCHISEE shall take such actions as shall be necessary to cancel any assumed name or equivalent registration which contains the Mark "Pizza Pit" or any other Mark, and FRANCHISEE shall furnish FRANCHISOR evidence

satisfactory to FRANCHISOR of compliance with this obligation within 30 days after said termination.

4. FRANCHISEE shall immediately assign to FRANCHISOR all of FRANCHISEE'S right, title and interest in and to FRANCHISEE'S telephone numbers, web sites (including URLs and domain names) and Internet listings (including, without limitation, Google and Yelp listings and Facebook pages) used to advertise and promote the Pizza Pit Unit franchised hereunder).

B. Upon termination or expiration of this Agreement, or any extension or renewal thereof, FRANCHISOR shall have an option to purchase from FRANCHISEE all or any part of the assets of the FRANCHISEE, if any, used in the operation of the franchised business, including signs, equipment and any other chattels, real estate leases and equipment leases, at fair market value. FRANCHISOR may exercise said option by giving FRANCHISEE written notice thereof within 30 days after termination or not less than 30 days prior to expiration, as the case may be. The fair market value purchase price shall be determined by agreement of FRANCHISEE and FRANCHISOR or by arbitration as herein provided for the settlement of disputes. Unless otherwise agreed by the parties, the purchase price shall be paid as follows: twenty percent (20%) of the purchase price at closing, which shall occur within 30 days after determination of the purchase price, with the balance to carry an interest rate of ten percent (10%) per annum and to be paid in 60 equal monthly installments beginning 30 days after closing.

C. Upon termination or expiration of this Agreement or any extension or renewal hereof, FRANCHISEE shall immediately turn over to FRANCHISOR all manuals, including the Confidential Operating Manuals, records, files, instructions, correspondence, and any and all materials relating to the operation of the franchised business in FRANCHISEE'S possession, and all copies thereof, and shall retain no copy or record of any of the foregoing, excepting only FRANCHISEE'S copy of this Agreement and of any correspondence between the parties, and any other documents which the FRANCHISEE reasonably needs for compliance with any provision of law.

D. No right or remedy herein conferred upon or reserved to FRANCHISOR is exclusive of any right or remedy herein (or by law or equity) provided or permitted; but each shall be cumulative of every other right or remedy given hereunder.

XVIII. TRANSFERABILITY OF INTEREST

A. "Transfer", Generally. FRANCHISEE shall not transfer or suffer any transfer of any interest in the franchised business or of this Agreement, except with the prior written consent of the FRANCHISOR and in accordance with and subject to all the terms and conditions of this Article XVIII. A "transfer" of an interest in this Agreement or of the franchised business, for the purposes of this Agreement, shall include but not be limited to the following:

1. Voluntary Sale. Any sale, assignment, subfranchise, or sublicense by FRANCHISEE of this Agreement or any rights or interest in this Agreement or the franchised business;

2. Encumbrance. Any pledge, encumbrance or grant of any security interest in this Agreement or the franchised business by FRANCHISEE;

3. Foreclosure. Sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the term of any pledge, encumbrance, or security interest in this Agreement which results in a disposition of FRANCHISEE'S interest in this Agreement or the franchised business;

4. By Operation of Law. The passing of FRANCHISEE'S interest in this Agreement or the franchised business, in whole or in part, by operation of law to any other party or parties;

5. Change of Ownership of FRANCHISEE. If FRANCHISEE is a corporation, partnership or other form of business association, any act, transaction, or event, of a nature described in subparagraphs (1), (2), (3) or (4) above or of any other nature, which, instead of operating upon this Agreement or the franchised business as such, operates upon or affects any interest in such corporation, partnership or association and results or could result in any change in the present controlling interest in such corporation, partnership or association, whether by means of one or more transactions or events, including but not limited to pledge of securities, merger, consolidation, transfer of securities, issuance of additional securities, or transfer by will, trust or intestate succession. "Controlling interest" as used in this Article XVIII shall mean, unless otherwise specified, a fifty-one percent (51%) or greater interest in a corporation or partnership, or such lesser percentage interest sufficient, in the circumstances, to give the owner thereof the power to control the management and direction of a corporation or partnership. If FRANCHISEE is two or more individuals, FRANCHISEE shall be deemed to be a partnership for all purposes of this Article XVIII, regardless of whether or not such individuals are a partnership; and

6. Change in Managerial Responsibility. In the event the person designated as General Manager of the franchised business shall cease to be General Manager thereof or shall cease to devote his or her full time and effort to the Pizza Pit Unit, whether, in either case, by reason of voluntary action or inaction, disability, death or any other cause.

Any purported transfer of this Agreement or the franchised business, other than in accordance with and subject to all the terms and conditions of this Article XVIII, shall confer no rights or interest whatsoever upon any party to the purported transfer and shall constitute an abandonment of the franchised business and a material breach of this Agreement, for which FRANCHISOR may terminate this Agreement without providing FRANCHISEE an opportunity to cure pursuant to Paragraph XVI.A. of this Agreement.

B. Special Requirements for a Corporate or Partnership FRANCHISEE. In addition to the terms and conditions set forth elsewhere in this Article XVIII, corporate and partnership FRANCHISEES must comply with the following restrictions:

1. Transfer Restrictions for Corporate FRANCHISEES. If FRANCHISEE is a corporation, it shall maintain stop transfer instructions against the transfer on its records of any securities with voting rights subject to the restrictions of this Article XVIII, and

shall issue no such securities upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this stock is subject to the terms and conditions of an Individual Unit Agreement with SB Acquisition, LLC dated _____. Reference is made to the provisions of the said Individual Unit Agreement and to the Articles and Bylaws of this Corporation for the terms and conditions governing transfer of this stock.

2. Restrictions on Partnership FRANCHISEE. If FRANCHISEE is a general or limited partnership, FRANCHISEE shall have a written partnership agreement that conditions the transfer of any interest in such partnership upon the prior written consent of FRANCHISOR.

3. Restrictions on Public Offering of Securities. FRANCHISEE may not become a publicly-held corporation or engage in any offerings of its securities that will require it to register under the Securities Exchange Act of 1934 or similar statute.

C. FRANCHISOR's Right of First Refusal.

1. Submission of Offer: Time Limitations on Sale. In the event any party holding any interest in the FRANCHISEE or the franchised business desires to accept any bona fide offer from a third party to purchase his or its interest in the FRANCHISEE or the franchised business, or in the event FRANCHISEE desires to accept a bona fide offer from a third party to purchase a substantial portion of the assets of the franchised business, FRANCHISEE shall first submit to FRANCHISOR, no later than sixty (60) days prior to the anticipated date of the proposed sale, a copy of any bona fide written offer made or received, or if none, a statement in writing of all the terms of the proposed sale and the identity of any proposed purchaser. FRANCHISOR or its nominee shall have the irrevocable first right and option to purchase the interest in FRANCHISEE, the franchised business, and the Pizza Pit Unit operated under the terms of this Agreement for the same cash terms stated in the offer, exercisable by notifying FRANCHISEE in writing, within forty-five (45) days after FRANCHISOR receives such written offer or statement, of FRANCHISOR's election to do so. If FRANCHISOR does not so notify FRANCHISEE within such forty-five (45) day period, then the proposed sale of the interest in FRANCHISEE, the franchised business or the Pizza Pit Unit to a third party may be consummated, but only on the same terms as are set forth in the said written offer or statement and to the same party, if any, identified in the said written offer or statement and further subject to all the provisions, conditions and limitations of this Article XVIII. If such a sale is not consummated with a third party within sixty (60) days after receipt by FRANCHISOR of such written offer or statement, then the proposed sale shall be deemed withdrawn and all the provisions of this Paragraph XVIII.C(1) shall again become applicable as if no such sale had been proposed. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by FRANCHISOR as in the case of an initial offer. Nothing contained in this Paragraph XVIII.C(1) shall abrogate, impair or limit the application of any of the provisions, conditions or limitations of this Article XVIII. With respect to any bona fide offer

made, FRANCHISOR and/or its nominee reserve the right to require customary representations, warranties, bulk sales law compliance, post-closing indemnities and assumption of obligations.

2. Substitute Consideration. In the event the consideration, terms, and/or conditions offered by a third party are such that FRANCHISOR or its nominee may not reasonably be required to furnish the same consideration, terms, and/or conditions, then FRANCHISOR or its nominee, as appropriate, may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree, within a reasonable time, on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by a third party, an independent appraiser acceptable to FRANCHISEE shall be designated by FRANCHISOR, and his determination shall be binding.

3. Small Business Administration (“SBA”) Loan Addendum. If FRANCHISEE has applied, or intends to apply, for a SBA-guaranteed loan and provided that FRANCHISEE is not in default of its obligations under this Agreement, FRANCHISOR will, at FRANCHISEE’s request, enter into the SBA Addendum to Franchise Agreement (SBA Form 2462) with FRANCHISEE in connection with that loan to the extent such action is needed to allow FRANCHISEE to obtain the loan.

D. Conditions of Voluntary Transfers, Generally. There shall be no transfer of an interest in this Agreement or the franchised business without the prior written consent of FRANCHISOR. FRANCHISEE and, in the event of FRANCHISEE'S bankruptcy, FRANCHISEE'S Trustee in bankruptcy, acknowledge and agree that each condition that must be met by the transferee is necessary for such transferee's full performance of the obligations hereunder. All the following conditions must be met prior to the time of transfer:

1. No Default. All of FRANCHISEE'S accrued monetary obligations to FRANCHISOR and all other outstanding obligations related to the franchised business shall have been satisfied and FRANCHISEE shall not be in default under any provision of this Agreement;

2. Subordination of Transferor's Right to Payment. The transferor's right to receive compensation, pursuant to any agreement or agreements for the purchase of any interest in this Agreement or the franchised business, shall be subordinated and secondary to FRANCHISOR's rights to receive payment for any monetary or other obligations of transferor or FRANCHISEE pursuant to this Agreement, whether arising before or after said transfer;

3. General Release. The transferor shall have executed a general release, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and its officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

4. Assumption of Obligations By Transferee. The transferee shall enter into a written agreement, in a form satisfactory to FRANCHISOR, expressly assuming and agreeing to discharge all of transferor's and FRANCHISEE'S obligations under this Agreement (whether those obligations arose before, concurrently with or after the transfer) and agrees to be

bound by all the terms and conditions of this Agreement; if the transferee is a corporation, limited partnership or other business entity or association of living persons, any of the owners of which enjoy limited liability by law, the individual(s) with a twenty percent (20%) or greater interest in such entity, or otherwise having the power to control the management and direction of such entity or association, shall, upon request by FRANCHISOR, have executed and delivered to FRANCHISOR forms of personal guarantee and subordination satisfactory to FRANCHISOR; if the transferee is an individual, the individual shall, upon request by FRANCHISOR, have executed and delivered to FRANCHISOR a form of subordination agreement satisfactory to FRANCHISOR. A copy of said agreements signed by both FRANCHISEE and the transferee shall be delivered to FRANCHISOR within five (5) days after the date of the transfer;

5. Qualifications of Transferee. The transferee shall demonstrate to FRANCHISOR's satisfaction that it meets FRANCHISOR's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the good health, aptitude and ability to conduct the franchised business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the business. If transferee is a corporation, partnership or other business association, the terms of the preceding sentence shall apply to all individuals who own any interest in transferee.

6. New Agreement. If required by FRANCHISOR, the transferee shall execute (and/or, upon FRANCHISOR's request, cause all interested parties to execute) such then-current standard form franchise agreements and other ancillary agreements as FRANCHISOR may require for the franchised business for a term ending on the date of the expiration of this Agreement;

7. Training. At transferee's expense and upon such other terms and conditions as FRANCHISOR may reasonably require, transferee, transferee's General Manager (who must be approved by FRANCHISOR), the major principals of a corporate or partnership transferee and transferee's employees shall complete any training programs then required by FRANCHISOR. "Major principal" as used in this Article XVIII shall mean those persons holding a twenty percent (20%) or greater interest in a corporate or partnership transferee or otherwise having the power to control the management and direction of a corporate or partnership transferee; and

8. Payment of Transfer Fee. Except in the case of a transfer to a corporation formed solely for the convenience of ownership of FRANCHISEE, a transfer fee, in an amount to be designated by FRANCHISOR, shall have been paid to compensate FRANCHISOR and to reimburse FRANCHISOR for administrative and other expenses in connection with the transfer.

E. Transfer to Controlled Corporation. In addition to the terms and conditions set forth in Paragraph XVIII.D. hereof, the following terms and conditions must be met before FRANCHISEE may transfer this Agreement or the franchised business to a corporation organized by FRANCHISEE and operated for the purpose of conducting a Pizza Pit Unit under the terms and conditions of this Agreement:

1. Ownership of Controlled Corporation. FRANCHISEE shall be and remain the owner of all the issued and outstanding capital stock of the transferee corporation;

2. Managerial Responsibility. Unless expressly waived by the FRANCHISOR in writing, the person designated as General Manager of the franchised business prior to the transfer continues to be the General Manager;

3. Assumption by Transferee. The transfer is evidenced by a written instrument in a form satisfactory to FRANCHISOR in which the transferee expressly assumes and agrees to discharge all obligations of FRANCHISEE under this Agreement, whether those obligations accrued at the time of the transfer or arose after the transfer, and agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as FRANCHISEE. An originally signed copy of the instrument, signed by both FRANCHISEE and the transferee corporation, shall be delivered to FRANCHISOR together with all other documents required by this Article XVIII within five (5) days of the date of transfer;

4. Obligations of FRANCHISEE. FRANCHISEE, or, if FRANCHISEE is a corporation, limited partnership or other entity of living persons, any of the owners of which enjoy limited liability by law, the individual(s) with a twenty percent (20%) or greater interest in such entity, or otherwise having the power to control the management and direction of such entity, shall execute and deliver to FRANCHISOR the then-current form of guarantee and subordination agreement. Further, FRANCHISEE shall not be released from, but shall remain personally bound and liable to FRANCHISOR notwithstanding any transfer, with respect to all non-monetary obligations of FRANCHISEE under this Agreement then accrued or thereafter arising;

5. Purpose of Transferee Corporation. The transferee corporation shall be newly organized and its charter shall provide that its activities are confined exclusively to operating the business franchised herein;

6. Notices on Stock Certificates. Each stock certificate of the transferee corporation shall have conspicuously endorsed upon its face a statement in the form set forth in Paragraph XVIII.B. hereof; and

7. Receipt of Documents By FRANCHISOR. FRANCHISOR shall have received copies of transferee's articles of incorporation, by-laws, and other governing documents, including the resolutions of the Board of Directors authorizing entry into this Agreement, and shall have approved same.

F. Consent of FRANCHISOR to Pledge. In the event FRANCHISEE desires or proposes to pledge, encumber or grant any security interest or lien in its interest in the franchised business or its rights under this Agreement, or if FRANCHISEE is a corporation, partnership or other form of business association, then in the event the holder of any interest in such corporation, partnership or association desires or proposes to pledge, encumber or grant any security interest in this Agreement or the franchised business under circumstances that would constitute or create a transfer of this Agreement or the franchised business within the meaning of

Paragraph XVIII.A; FRANCHISEE or the holder of such interest, as the case may be, shall first notify FRANCHISOR in writing of such proposed transaction and obtain FRANCHISOR's written consent thereto. Any such consent FRANCHISOR may give shall be subject to the following conditions: (i) any consent so granted shall not be deemed a consent to the exercise by such pledgee, encumbrancer or secured party of any rights or prerogatives of FRANCHISEE under this Agreement, nor to its exercise of any rights or prerogatives of a holder of an ownership interest in FRANCHISEE; (ii) any consent so granted shall not be deemed a consent to any subsequent disposition described in Paragraph XVIII.A(1) and XVIII.A(4), and any such subsequent disposition shall be deemed a transfer of this Agreement within the meaning of Paragraph XVIII.A., and shall be subject to all the applicable provisions of this Article XVIII (including without limitation those in Paragraph XVIII.G.; and (iii) the pledgee, encumbrancer or secured party shall have executed and delivered to FRANCHISOR an instrument in writing agreeing to be bound by the provisions of this Article XVIII.

G. Consent of FRANCHISOR to Disposition to or by Secured Party. In the event any party proposes to acquire, in a transaction described in Paragraph XVIII.A(3), FRANCHISEE'S interest in this Agreement or the franchised business, or the interest of any party or parties having an interest in FRANCHISEE, if FRANCHISEE is a corporation, partnership or other business association, the party proposing to acquire such interest shall notify FRANCHISOR thereof in writing. Subject to compliance with the provisions of Paragraph XVIII.C. and provided FRANCHISOR otherwise approves of the proposed transaction, FRANCHISOR shall consent to the proposed transaction if each of the conditions in Paragraphs XVIII.D(1) and XVIII.D(3) through XVIII.D(8) is fulfilled, and, in addition, the party proposing to acquire shall have submitted to FRANCHISOR satisfactory evidence that he or she has acquired and become entitled to acquire all rights of Franchisee to this Agreement, or all rights in FRANCHISEE belonging to the party whose interests have been acquired, as the case may be.

H. Transfer Upon Death or Mental Incompetency

1. Conditions of Transfer. Upon the death or determination of mental incompetency of any person with an interest in this Agreement, the franchised business or in FRANCHISEE, which death or mental incompetency results in a transfer of this Agreement within the meaning of Paragraph XVIII.A., FRANCHISOR shall consent to an assignment and transfer of this Agreement to the guardian, executor, administrator, or other personal representative of the deceased or the mental incompetent, and, in the case of a death, subsequently to the person or persons entitled to distribution of the deceased's estate (or directly to the latter persons if no probate proceedings are instituted with respect to the estate); provided, however, that each of the conditions in Paragraphs XVIII.D(1) and XVIII.D(4) through XVIII.D(7) is fulfilled, and provided further that such guardian, executor, administrator, personal representative or distributee shall submit to FRANCHISOR satisfactory evidence that he or she has succeeded or otherwise become entitled to all rights of the deceased or the mental incompetent in this Agreement, the franchised business, or in FRANCHISEE, as the case may be. Any consent by FRANCHISOR to an assignment and transfer of this Agreement, the franchised business, or an interest in FRANCHISEE to the guardian, executor, administrator, personal representative or distributee of the estate of the deceased or the mental incompetent shall not constitute a consent to any subsequent assignment or transfer thereof from such guardian,

executor, administrator, personal representative or distributee. Any consent by FRANCHISOR to

such subsequent assignment or transfer shall be subject to the fulfillment of all the conditions provided in this Article XVIII, and, in particular, all the conditions provided in Paragraph XVIII.D.

2. Day to Day Operation. Immediately following the death or determination of mental incompetency of any person with an interest in this Agreement, the franchised business or in FRANCHISEE, which death or determination of mental incompetency results in a transfer of this Agreement within the meaning of Paragraph XVIII.A. and during any period in which the Pizza Pit Unit is operated by any guardian, executor, administrator, personal representative or trustee of such person or entity, the day-to-day operation of the business shall be conducted under the supervision of an individual satisfactory to FRANCHISOR.

I. Time Limitation. In the case of any transaction described in Paragraphs XVIII.D. through XVIII.H., FRANCHISOR shall not be required to give its consent to such transaction unless all conditions precedent to such consent, which conditions require action or submission of information by FRANCHISEE or any third party, shall have been fulfilled within ninety (90) days after the date of the event giving rise to the requirement for such consent; provided, however, that if in any case the person who is to be substituted as a General Manager of the franchised business has been unable, within said ninety (90) day period, to complete the required training course solely because the course was not offered by FRANCHISOR at an earlier date, and if all other conditions precedent to FRANCHISOR'S consent shall have been fulfilled, to FRANCHISOR'S satisfaction, within said ninety (90) day period, then FRANCHISOR will consent to such transaction subject to the successful completion of such training course by such person at the earliest practicable date.

J. Non-Waiver of Claims. FRANCHISOR's consent to a transfer of any interest in this Agreement or the franchised business shall not under any circumstances constitute a waiver of any claims it may have against the transferor, nor shall it be deemed a waiver of FRANCHISOR'S right to demand exact compliance with any of the terms of this Agreement by the transferee.

K. Transfer by FRANCHISOR. FRANCHISOR shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

XIX. OPERATION IN THE EVENT OF ABSENCE, DISABILITY OR DEATH

In order to prevent any interruption of the franchised business which would cause harm to said business and thereby depreciate the value thereof, FRANCHISEE authorizes FRANCHISOR, in the event that FRANCHISEE is absent or incapacitated by reason of illness or death and is not, therefore, in the sole judgment of FRANCHISOR, able to operate the business licensed hereunder, to operate said business for so long as FRANCHISOR deems necessary and practical, and without waiver of any other rights or remedies FRANCHISOR may have under this Agreement. FRANCHISOR is not obligated under any circumstances by this paragraph XIX to operate the business licensed hereunder. In the event that FRANCHISOR should operate the

franchise, FRANCHISOR shall not be obligated to so operate the franchise for a period of more than 90 days. All monies from the operation of the business during such period of operation by FRANCHISOR shall be kept in a separate account and the expenses of the business, including reasonable compensation and expenses for FRANCHISOR'S representative, shall be charged to said account. If, as herein provided, FRANCHISOR temporarily operates for FRANCHISEE the business licensed herein, FRANCHISEE agrees to indemnify and hold harmless FRANCHISOR and any representative of FRANCHISOR who may act hereunder, from any and all claims arising from the acts and omissions of FRANCHISOR and its representative.

XX. TAXES, PERMITS AND INDEBTEDNESS

A. FRANCHISEE shall promptly pay when due all taxes and assessments against the premises or the equipment used in connection with FRANCHISEE'S business, and all liens or encumbrances of every kind or character created or placed upon or against any of said property, and all accounts and other indebtedness of every kind incurred by FRANCHISEE in the conduct of such business.

B. FRANCHISEE shall comply with all federal, state and local laws, rules and regulations and shall timely obtain, maintain and renew any and all permits, certificates or licenses necessary for the full and proper conduct of the business licensed by this Agreement, including, without limitation, operating licenses, licenses to do business, fictitious name registration and sales tax permits.

C. FRANCHISEE shall notify FRANCHISOR in writing within five days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the franchised business.

XXI. INDEPENDENT CONTRACTOR: INDEMNIFICATION

A. This Agreement does not constitute FRANCHISEE as an agent, legal representative, joint venturer, partner, employee or servant of FRANCHISOR for any purpose whatsoever; and it is understood between the parties hereto that FRANCHISEE shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of FRANCHISOR, or to create any obligation, express or implied, on behalf of FRANCHISOR.

B. FRANCHISEE shall promptly display, by posting of a sign within public view, on or in the premises of the franchise location, a statement that clearly indicates that said business is independently owned and operated by FRANCHISEE as a Pizza Pit franchise of FRANCHISOR and not as an agent thereof.

C. FRANCHISEE agrees to indemnify and hold FRANCHISOR and its subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees harmless against, and to reimburse them for, any loss, liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including, without limitation, reasonable

accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) which any of them may suffer, sustain or incur by reason of, arising from or in connection with FRANCHISEE'S activities hereunder. FRANCHISOR shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

XXII. NON-WAIVER

No failure of FRANCHISOR to exercise any power reserved to it hereunder, or to insist upon strict compliance by FRANCHISEE with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of FRANCHISOR'S right to demand exact compliance with the terms hereof. Waiver by FRANCHISOR of any particular default by FRANCHISEE shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair FRANCHISOR's right in respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of FRANCHISOR to exercise any power or rights arising out of any breach or default by FRANCHISEE of any of the terms, provisions or covenants hereof, affect or impair FRANCHISOR's rights nor shall such constitute a waiver by FRANCHISOR of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by FRANCHISOR of any payment(s) due to it hereunder shall not be deemed to be a waiver by FRANCHISOR of any preceding breach by FRANCHISEE of any terms, covenants or conditions of this Agreement.

XXIII. NOTICE

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party. Notice by mail shall be deemed received on the second business day following the date mailed. Either party may change the name and address for notice by a written notification served to the other party in accordance with this paragraph.

Notices to FRANCHISOR: SB Acquisition, LLC
5706 US Highway 51
McFarland, Wisconsin 53558

Notices to FRANCHISEE: _____

XXIV. COST OF ENFORCEMENT OR DEFENSE

In the event FRANCHISOR is required to employ legal counsel or to incur other expense to enforce any obligation of FRANCHISEE hereunder, or to defend against any claim, demand, action or proceeding by reason of FRANCHISEE'S failure to perform any obligation imposed upon FRANCHISEE by this Agreement, and provided that legal action is filed by or against FRANCHISOR and such action or the settlement thereof establishes FRANCHISEE'S default hereunder, then FRANCHISOR shall be entitled to recover from FRANCHISEE the amount of all reasonable attorneys' fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter. Nothing contained in this paragraph shall relate to arbitration proceedings pursuant to this Agreement.

XXV. ENTIRE AGREEMENT

This Agreement, the attached Exhibit hereto, and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between FRANCHISOR and FRANCHISEE concerning the subject matter hereof, and supersede all prior agreements, except to the extent that any Multiple Unit Development Agreement pursuant to which this Agreement is executed specifically provides that its terms shall prevail over certain terms of any Individual Franchise Agreement executed pursuant thereto. No other representation has induced FRANCHISEE to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless in writing signed by both parties.

XXVI. SEVERABILITY AND CONSTRUCTION

A. Each paragraph, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any paragraph, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and/or provisions of this Agreement, and the latter will continue to be given full force and effect and bind the parties hereto; and said invalid paragraphs, parts, terms and/or provisions shall be deemed not part of this Agreement; provided, however, that if FRANCHISOR determines that said finding of illegality adversely affects the basic consideration of this Agreement, FRANCHISOR may, at its option, terminate this Agreement.

B. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than FRANCHISOR or FRANCHISEE and such of their respective successors and assigns as may be contemplated by this Agreement hereof any rights or remedies under or by reason of this Agreement.

C. FRANCHISEE expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provisions hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which FRANCHISOR is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

E. This Agreement may be executed in triplicate, and each copy so executed shall be deemed an original.

XXVII. APPLICABLE LAW

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Wisconsin, except that nothing shall be construed to broaden the applicability of the Wisconsin Fair Dealership Law, Wis. Stat. ch. 135, to circumstances not covered by said law.

XXVIII. ARBITRATION

A. Except as specifically otherwise provided in this Agreement, the parties agree that any and all disputes between them, and any claim by either party that cannot be amicably settled, shall be determined solely and exclusively by arbitration in accordance with the rules of the American Arbitration Association or any successor thereof. Arbitration shall take place at an appointed time and place in Dane County, Wisconsin.

B. Each party shall select one arbitrator (who shall not be counsel for the party), and the two so designated shall select a third arbitrator. If either party shall fail to designate an arbitrator within seven days after arbitration is requested, or if the two arbitrators shall fail to select a third arbitrator within 14 days after arbitration is requested, then an arbitrator shall be selected by the American Arbitration Association or its successor upon application of either party. Arbitration proceedings shall be conducted in accordance with the rules then prevailing of the American Arbitration Association. The award of the arbitrators shall be final and binding upon the parties and may be filed by either party in a court of competent jurisdiction for entry of judgment thereupon in accordance with the Wisconsin Arbitration Act. The award of the arbitrators may grant any relief which might be granted by a court of general jurisdiction, including, without limitation, by reason of enumeration, award of damages and/or injunctive relief, and may, in the discretion of the arbitrators, assess, in addition, the costs of the arbitration, including the reasonable fees of the arbitrators and reasonable attorneys' fees, against either or both parties, in such proportions as the arbitrators shall determine.

C. Nothing herein contained shall bar the right of either party to seek and obtain temporary injunctive relief from a court of competent jurisdiction in accordance with applicable law against threatened conduct that will cause loss or damage, pending completion of the arbitration.

XXIX. UNIT LEASE

A. FRANCHISOR shall have the right to examine and approve the lease for the premises from which the Pizza Pit Unit will be operated. FRANCHISEE agrees that neither it nor any affiliate will execute such a lease which has for any reason been disapproved by the FRANCHISOR. The lease shall provide for adequate parking and shall permit standard signage. The lease shall also contain substantially the following provisions:

1. Anything contained in this lease to the contrary notwithstanding, Lessor agrees that without its consent, this lease and the right, title and interest of the Lease thereunder, may be assigned by the Lessee to Pizza Pit or its designee, provided that said Pizza Pit or its designee, shall execute such document evidencing its agreement to thereafter keep and perform, or cause to be kept or perform, all of the obligations of the Lessee arising under this Lease from and after the time of such assignment; and

2. Lessor shall give written notice to SB Acquisition, LLC, a Wisconsin limited liability company, (concurrently with giving of such notice to Lessee) of any default by Lessee under the Lease and SB Acquisition, LLC shall have, after the expiration of the period during which the Lessee may cure such default, an additional twenty (20) days to cure, at its sole option and without any obligation to do so, any such default.

B. FRANCHISEE shall deliver a copy of the signed lease to the FRANCHISOR within fifteen (15) days of execution thereof.

C. Upon the termination or expiration of the Franchise for any reason, other than a termination by FRANCHISEE for cause and in accordance with this Agreement, the FRANCHISOR shall have the right but not the obligation to assume FRANCHISEE'S status and replace FRANCHISEE as lessee and FRANCHISEE shall, upon exercise of that right, be fully released and discharged from all liability for rent and all other future liability under such lease (though not from any liability for unpaid rent or any other then existing liability to the lessor under such lease). FRANCHISEE'S execution of a lease or sublease for, or purchase of, a site for the Pizza Pit Unit shall constitute acceptance by FRANCHISEE of such site and location and of the terms of such lease, sublease, or purchase.

XXX. ACKNOWLEDGMENT BY SHAREHOLDERS, OFFICERS, DIRECTORS OR PARTNERS; GUARANTY; SUCCESSORS

By their signatures on the Individual Acknowledgment and Guarantee to this Agreement, each shareholder, officer, director, member or partner of the entity that signs this Agreement as FRANCHISEE and/or each person with a direct or indirect beneficial interest in such Franchisee acknowledges and accepts the duties, obligations and restrictions imposed upon each of them, individually, by the terms of this Agreement. As used in this Agreement, the term

"FRANCHISEE" shall include all persons who succeed to the interest of the original FRANCHISEE by transfer or operation of law.

XXXI. FRANCHISEE'S ACKNOWLEDGMENTS

FRANCHISEE acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of FRANCHISEE as an independent business man. FRANCHISOR expressly disclaims the making of, and FRANCHISEE acknowledges that it has not received, any representation, warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

FRANCHISEE acknowledges that other franchisees of FRANCHISOR have or will be granted franchises at different times and in different situations, and further acknowledges and agrees that the provisions of such franchises may vary substantially from those contained in this Agreement and that FRANCHISEE'S obligations hereunder may differ substantially from those of other franchisees of FRANCHISOR.

FRANCHISEE acknowledges that it has received a copy of this Agreement, the attachments and agreements relating hereto, if any, at least five (5) business days prior to the date on which this Agreement was executed. FRANCHISEE acknowledges and agrees that it has read and understood this Agreement and the attachments hereto, if any; and that FRANCHISOR has fully and adequately explained the provisions of each to FRANCHISEE'S satisfaction; and that FRANCHISOR has accorded FRANCHISEE ample time and opportunity to consult with advisors of FRANCHISEE'S own choosing about the potential benefits and risks of entering into this Agreement. FRANCHISEE further acknowledges that FRANCHISEE has received the disclosure document required under the Wisconsin Franchise Investment Law entitled "Franchise Offering Circular for Prospective Franchisees Required by the State of Wisconsin," at or prior to the first personal meeting to discuss the franchise and at least ten (10) business days prior to the date on which this Agreement was executed.

XXXII. RELEASE OF CLAIMS ARISING UNDER OR RELATING TO PRIOR FRANCHISE AGREEMENTS

By entering into this agreement, FRANCHISOR AND FRANCHISOR, each on behalf of itself and its respective past, present and future agents, shareholders, members, officers, directors, employees, insurers, assigns, affiliates and successors in interest (the "Releasing Parties"), do hereby release and discharge the other party and its respective past, present and future agents, shareholders, members, officers, directors, employees, insurers, assigns, affiliates and successors in interest (the "Released Parties") of any and all claims, demands, rights, liabilities and causes of action of whatsoever kind or nature ("Claims") which the Releasing Parties may now or hereafter have against the Released Parties arising under or relating to any

prior Pizza Pit franchise agreement or the business relationships between any Releasing Party and any Released Party under such an agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in triplicate the day and year first above written.

IN THE PRESENCE OF:

SB ACQUISITION, LLC

Witness

By: _____

Title: _____

IN THE PRESENCE OF:

FRANCHISEE:

Witness

Witness

**INDIVIDUAL ACKNOWLEDGMENT
AND GUARANTEE**

The undersigned individuals represent and warrant that they are all of the shareholders, officers, directors or partners of FRANCHISEE or otherwise have a direct or indirect beneficial interest in the success of FRANCHISEE. Accordingly, to induce FRANCHISOR to enter into this Agreement, each of the undersigned individuals acknowledges and accepts, jointly and severally, the duties, obligations and restrictions imposed upon each of them, individually, by the terms of this Agreement and, by their respective signatures hereto, each agrees to be bound, personally, by all of the duties, obligations and restrictions of this Agreement and each further agrees to personally, jointly and severally guarantee the performance of, and payment by, Franchisee under the terms of this Agreement.

In the Presence of:	SHAREHOLDER/PARTNER	PERCENTAGE OF OWNERSHIP
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

OFFICER/DIRECTOR
(if not signed above as Shareholder/Partner)

In the Presence of:

EXHIBIT A

Refunds and Cancellation

Franchisee: _____ Dated: _____

This entire contract is further conditioned upon FRANCHISOR'S evaluation of FRANCHISEE'S personal abilities, aptitudes and financial qualifications. In accordance therewith, FRANCHISEE shall submit all data requested and FRANCHISOR shall have a reasonable time not to exceed 15 days after submission of all data to prepare its evaluations. If, for any reason, FRANCHISOR elects to cancel this Agreement after the aforesaid evaluations, FRANCHISEE shall be notified in writing of the cancellation within 15 days of its receipt of the above data. Said notice shall be accompanied by a refund to FRANCHISEE of monies paid under the terms of this Agreement, and the notice and refund shall cause an automatic cancellation of this Agreement without further notice.

If, within 120 days from the date of the Individual Unit Agreement, FRANCHISEE has failed, in FRANCHISOR'S sole opinion, to obtain a location satisfactory to FRANCHISOR for the operation of a Pizza Pit Unit, this Agreement is cancelled. The cancellation shall be effective on the date FRANCHISEE receives written notice of cancellation from FRANCHISOR. FRANCHISEE may void the cancellation notice by obtaining a location satisfactory to FRANCHISOR within 60 days of its receipt of the cancellation notice. In the event FRANCHISEE does not find a location satisfactory to FRANCHISOR within such 60 day period, FRANCHISEE'S right to void the cancellation shall expire and, upon exchange with FRANCHISOR of a mutual release in a form satisfactory to FRANCHISOR, FRANCHISOR will refund FRANCHISEE'S Initial Franchise Fee, less \$5,000. In the alternative, FRANCHISEE may waive its right to void the cancellation notice and, in such case, upon exchange of a mutual release with FRANCHISOR in a form satisfactory to FRANCHISOR, FRANCHISOR will refund Franchisee's Initial Franchise Fee, less \$5,000.

SB Acquisition, LLC, d/b/a Pizza Pit

ATTEST:

By: _____
Title: _____

ATTEST:

EXHIBIT B-1

CO-BRAND SUPPLEMENT TO INDIVIDUAL UNIT AGREEMENT

This Agreement is made this _____ day of _____, 20____, between SB Acquisition, LLC, a Wisconsin limited liability company ("FRANCHISOR") and _____, a _____ ("FRANCHISEE").

BACKGROUND FACTS

FRANCHISEE proposes to operate the Pizza Pit Unit in the same building as a bowling center. The Individual Unit Agreement requires supplementation to accommodate this arrangement. FRANCHISOR and FRANCHISEE are willing to agree to such supplementation.

AGREEMENT

1. The parties intend to be legally bound in consideration of the mutual agreements, covenants and promises contained in this Agreement, the adequacy and sufficiency of which are hereby acknowledged.

2. Paragraph III.G. is created to state:

G. FRANCHISEE recognizes that the Pizza Pit name and marks and all variations thereon (collectively, the "Marks") are the exclusive property of FRANCHISOR. The Marks shall not be used in combination with FRANCHISEE'S name or marks so as to indicate, either directly or indirectly, that FRANCHISEE has any rights to use the Marks beyond those rights set forth in the Agreement. The premises within which FRANCHISEE is leasing space for the Pizza Pit Unit (hereinafter "FRANCHISEE'S bowling center") shall be separately identified both with interior signage and exterior signage and such signage shall designate the Pizza Pit Unit separately from any signage designating FRANCHISEE'S bowling center. Additionally, any advertising or other promotional material using a Mark or Marks in combination with or in association with FRANCHISEE'S bowling center and/or any other name used by FRANCHISEE shall include a footnote or other statement that the Mark is the trademark of SB Acquisition, LLC of Madison, Wisconsin. An example of compliance with this provision is:

PIZZA PIT* in the _____ (insert tradename of bowling center).

* PIZZA PIT is the trademark of SB Acquisition, LLC of Madison, Wisconsin.

3. Paragraph IX.C. is created to state:

C. The term "premises of the Pizza Pit Unit franchised hereunder" as referred to in paragraph IX.A.2. shall be limited to that part of FRANCHISEE'S bowling center designated as and used as the Pizza Pit Unit. The term shall not include the bowling lanes, bar and other parts of the bowling center not included within that part of the bowling center designated as and used as the Pizza Pit Unit. It is further understood that all sales of merchandise from such Pizza Pit Unit, including any sales from the Pizza Pit Unit to any other business operated by FRANCHISEE or occupying FRANCHISEE'S bowling center or any other part of the bowling center regardless of whether or not such other part is leased by FRANCHISEE and regardless of whether or not such business is owned by or affiliated with FRANCHISEE, shall be included in "gross receipts" as such term is defined in paragraph IX.A.2. above at FRANCHISEE'S then current full retail price for such merchandise sold by FRANCHISEE from the PIZZA PIT UNIT to unaffiliated third-party customers. Accordingly, FRANCHISEE is free to sell merchandise to any or all of FRANCHISEE'S affiliated persons or other persons occupying FRANCHISEE'S bowling center or any other part of the bowling center regardless of whether or not such other part is leased by FRANCHISEE at any price whatsoever. Such sale, however, shall be included in "gross receipts" at the aforementioned full retail price for purposes of computing the continuing service and royalty fee due FRANCHISOR.

4. Paragraph XII.E. is modified by adding a final sentence that states:

This restriction is limited to that part of the bowling center designated and used as the Pizza Pit Unit.

5. Paragraph XII.F. is modified to add the following sentences to the end of the current paragraph:

The restriction regarding the sale or dispensing of any products, food or non-food services or conduct, sanctioning or permitting activities except those specifically recognized and approved by FRANCHISOR as part of the franchised business without the prior written approval of FRANCHISOR is limited to that part of the bowling center designated as and used as the Pizza Pit Unit. Further, the restriction regarding the sale of alcoholic beverages is likewise limited to that part of the bowling center designated and used as the Pizza Pit Unit. FRANCHISOR hereby permits the sale of alcoholic beverages at the Pizza Pit Unit or the consumption of the same at the Pizza Pit Unit provided that the same is permitted under the applicable liquor license or licenses currently held by FRANCHISEE or persons affiliated with

FRANCHISEE in connection with the operation of the bowling center. FRANCHISEE expressly warrants and represents that at the date of this Agreement it has obtained all necessary licenses and permits to sell alcoholic beverages from the Pizza Pit Unit and to permit consumption of the same on the premises of the Pizza Pit Unit and, further, that FRANCHISEE will maintain such licenses and permits and supplement them as necessary throughout the term of this Agreement in order that the sale and consumption of alcoholic beverages on the premises of the Pizza Pit Unit is done so legally under applicable law.

6. The Individual Acknowledgment and Guarantee by FRANCHISEE, FRANCHISEE'S partners or FRANCHISEE'S shareholders, officers and directors of the Individual Unit Agreement supplemented by this Agreement apply to this Agreement as if this Agreement were set forth in full in the Individual Unit Agreement.

The parties have signed this Agreement on the date set forth below their respective signature.

SB ACQUISITION, LLC

(Franchisee)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT C
SB ACQUISITION, LLC -- D/B/A PIZZA PIT
DISCLOSURE ACKNOWLEDGMENT

SB Acquisition, LLC ("Franchisor") through the use of this document, desires to ascertain that _____ ("Franchisee") fully understands and comprehends that the purchase of a Pizza Pit Franchise is a business decision, complete with its associated risks, and that it is the company policy of the Franchisor to verify that the Franchisee is not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by the Franchisor.

A. Acknowledgment. The Franchisee recognizes and understands that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including the skills and abilities of the Franchisee, the hours worked by the Franchisee, competition, interest rates, the economy, inflation, store location, operation costs, lease terms and costs and the market place. The Franchisee hereby acknowledges its willingness to undertake these business risks.

B. Disclosure. The Franchisee acknowledges receipt of the Franchisor's Franchise Disclosure Document and Exhibits. The Franchisee acknowledges that he has had the opportunity to personally and carefully review these documents. Furthermore, the Franchisee has been advised to seek professional assistance, to have professionals review the documents and to consult with the Franchisee regarding the risks associated with the purchase of the franchise. With regard to timely disclosure, the Franchisee states that it has reviewed its records and that, on the basis of such review, the following dates are true and correct:

_____, 20____ (Month/Day)		The date of my first face-to-face meeting with FRANCHISOR's Representative or any other person to discuss the possible purchase of a Franchise.
_____, 20____ (Month/Day)		The date on which Franchisee received a Franchise Disclosure Document and Exhibits about the Pizza Pit Franchise.
_____, 20____ (Month/Day)		The date when Franchisee received a fully completed copy (other than signatures) of the Franchise Agreement which Franchisee later signed.
_____, 20____ (Month/Day)		The earliest date on which Franchisee signed the Franchise Agreement or any other binding document (not including the Acknowledgment of Receipt).
_____, 20____ (Month/Day)		The earliest date on which Franchisee delivered cash, check, or consideration to FRANCHISOR's Representative or any other person.

C. Representations.

1. Except as explicitly set forth, in the Franchise Agreement or a written Addendum to it signed by me and the President of the Franchisor, no promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter. This includes but is not limited to any representations or promises regarding advertising, marketing, site location, operational assistance or other services.

Except: _____

(**If none, the prospective Franchisee shall write NONE and initial.)

2. The Franchisee agrees and states that the decision to purchase the Pizza Pit Franchise is in no manner predicated upon any oral representations, assurances, warranties, guarantees or promises made by the Franchisor or any of its officers, employees or agents (including any franchise broker) as to the likelihood of success of the franchise. The Franchisee further acknowledges that he has not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) from which a specific level or range of actual or potential sales, costs, income or profit from franchised or nonfranchised units could be ascertained. If the Franchisee believes that he has received any information from which a specific level or range of actual or potential sales, costs, income or profit from franchised or nonfranchised units could be ascertained, please describe such information in the space provided below or write "NONE."

(If no information from which a specific level or range of actual or potential sales, costs, income or profit from franchised or nonfranchised units could be ascertained has been received, please write "NONE" above.)

FRANCHISEE(S):

(Individual)

Name

Signature

Name

Signature

FRANCHISEE(S):

(Corporation or Partnership)

Name

Name

a _____ corporation

a _____ partnership

Signature

By: _____

Signature

Name and Title

EXHIBIT D
List of Pizza Pit Franchised Units Current as of December 31, 2025¹

IOWA

Ames, Iowa 50014
207 Welch Avenue, Suite 201
Franchisee: ZeMaker Investments, Inc.
(515) 292-6600

WISCONSIN

Cambridge, Wisconsin 53523
607 Kenseth Way
Franchisee: Five Star Enterprises LLC
(608) 423-2216

Lake Mills, Wisconsin 53551
W7655 County Trunk V
Franchisee: Five Star Enterprises
of Wisconsin, LLC
(920) 648-4333

Madison, Wisconsin 53714
13 Atlas Court
Franchisee: CCG Enterprises, LLC
(608) 223-0700

Milton, Wisconsin 53563
2107 East Vincent Road, Unit C
Franchisee: JD Stoikes LLC
(608) 580-0059

Oregon, Wisconsin 53575
105 S. Main Street
Franchisee: Pie Theory, LLC
(608) 835-7744

Stoughton, Wisconsin 53589
1060 W. Main Street
Franchisee: PKO Enterprises, LLC
(608) 873-4787

Sun Prairie, Wisconsin 53592
330 W. Main Street
Franchisee: Slice of Home, LLC
(608) 825-2818

¹ There also is a Pizza Pit outlet operating under a License Agreement with Pizza Pit on Monroe Street in Madison, Wisconsin.

**List of Outlets Owned and Operated By FRANCHISOR
Current as of December 31, 2025**

None

EXHIBIT E

List of Former Pizza Pit Franchisees
That Have Left the System Within the Past Twelve Months
(December 31, 2024 to December 31, 2025)

Madison, Wisconsin 53719
6628 Odana Road
Franchisee: Five Star Enterprises of Wisconsin, LLC

List of Franchise Units That Have Been Sold or Otherwise Transferred
Within the Last Twelve Months
Prior to December 31, 2025

Oregon, Wisconsin 53575
105 S. Main Street
Franchisee: Orcon, LLC
(608) 835-7744

To

Oregon, Wisconsin 53575
105 S. Main Street
Franchisee: Pie Theory, LLC
(608) 835-7744

EXHIBIT F

Description of Tables of Contents For Various System Manual

OUTLET OPERATIONS MANUAL

Table of Contents

Section 1- Operations Systems & Procedures

1. Delivery Systems & Procedures [9 pages]
 - a. Uniform Policy- dress and appearance
 - b. Money handling
 - c. Customer Transaction Policy
 - d. Pizza Pit coupons
 - e. Gift Certificates and Gift Cards
 - f. Receipts
 - g. Delivery and Sale of Product
 - h. Accident procedures
 - i. Robbery procedures
 - j. Personal injury
2. 30 Minute Delivery Service [3 pages]
 - a. Delivery time quotes during order taking
 - b. Management/pizza production staff role/procedures
 - c. Delivery staff role/procedures
 - d. Additional tips to maintain low delivery times
3. Routing Delivery Runs [3 pages]
 - a. Routing principles
 - b. Basic routing process
 - c. Router communication
 - d. Tips for learning the delivery area

Section 2- Product Production

1. Pizza Appearance Standards [4 pages]
 - a. Forming crusts
 - b. Rolling crusts
 - c. Dislodging table flour
 - d. Screening pizza crusts
 - e. Thickness variations
 - f. Pizza sauce application
 - g. Cheese distribution
 - h. Topping order of application
 - i. Topping distribution
 - j. Bake standards
 - k. Bubbles
 - l. Slice division

2. Pizza Preparation [16 pages]
 - a. Dough – general knowledge
 - b. Preparation technique
 - c. Rolling crusts – general knowledge
 - d. Preparation technique
 - e. Trouble shooting chart
 - f. Dislodging table flour
 - g. Pizza screens – general knowledge
 - h. Applying crusts to screens – technique
 - i. Pizza sauce – general knowledge
 - j. Applying sauce – technique
 - k. Pizza cheese – general knowledge
 - l. Applying cheese – technique
 - m. Pizza topping – general knowledge
 - n. Order of application
 - o. Distribution techniques
 - p. Oven controls and operation
 - q. Loading & unloading ovens
 - r. Bake standards
 - s. Boxing and cutting product
 - t. Common problems/resolution procedures

3. Chicken Production [10 pages]
 - a. General equipment operation – Auto-fry Fryer
 - b. Oil
 - c. General product information
 - d. Product cooking procedures
 - e. Product assembly – delivery
 - f. Product assembly – dining room
 - g. Cooking time chart

4. General Food Preparation [12 pages]
 - a. Personal hygiene review
 - b. Personal habits
 - c. Work environment
 - d. Care of knives
 - e. Proper lifting
 - f. Prep area set up
 - g. Pizza cheese
 - h. Sliced products
 - i. Raw meats
 - j. Canned foods
 - k. Tomatoes
 - l. Onions
 - m. Green peppers
 - n. Pizza sauce
 - o. Sandwich buns
 - p. Pre-portion meats

- q. Sauces
 - r. Storage and rotation
 - s. Shelf life chart
5. Store Sanitation [8 pages]
- a. Customer perception
 - b. Basic sanitation rules
 - c. Proper food handling practices
 - d. Proper storage and rotation
 - e. Use and storage of chemicals and pesticides
 - f. Washing and sanitizing utensils and containers
 - g. Four compartment sink set up
 - h. Grease trap cleaning procedures
 - i. Floor care
 - j. Windows & plexiglass

Section 3 – Employee Selection & Supervision

1. The Training Process [9 pages]
- a. Setting objectives
 - b. Planning
 - c. Implementing the training plan
 - d. Preparing the learner
 - e. Presenting the task
 - f. Trainee tryout
 - g. Follow up
 - h. Evaluating the training
 - i. Improving your training skills
2. Management Communication Skills [5 pages]
- a. Giving constructive positive feedback
 - b. Giving constructive negative feedback
 - c. Guidelines for receiving feedback
 - d. Guidelines for effective questioning
 - e. Guidelines for active listening
3. Management Delegation [4 pages]
- a. Delegation defined
 - b. Why delegate
 - c. What to delegate
 - d. What not to delegate
 - e. Whom to delegate to
 - f. How to delegate
 - g. Degrees of delegation

Section 4 – General Shop Operations

1. Nightly Planning [5 pages]
 - a. Nightly planning defined
 - b. Importance of
 - c. Benefits of shift planning
 - d. Making time to plan
 - e. Effective planning – the process
 - f. Delegation of the plan
 - g. Why system fails
 - h. Sample plan format

2. Security Procedures [6 pages]
 - a. Key security
 - b. Internal unit security procedures
 - c. End of night cash reconciliation – security
 - d. Till location/amounts
 - e. Bank deposits
 - f. Security tips
 - g. Unit robbery procedures – management
 - h. Driver robbery procedures – management

3. Safety guidelines [5 pages]
 - a. Importance of establishing a program
 - b. Customer area safety
 - c. Employee area safety
 - d. Causes of accidents
 - e. Employee rules
 - f. Procedure when an injury occurs
 - g. Treatment of minor injuries

4. Food Cost Controls [5 pages]
 - a. Importance of control
 - b. Daily store controls
 - c. Formula for determining ideal food cost

5. Labor Cost Controls [10 pages]
 - a. Labor cost defined
 - b. Weekly labor controls
 - c. Scheduling and budgeting
 - d. Nightly labor controls

COMMISSARY OPERATIONS MANUAL

Table of Contents

1. Product Information [7 pages]
 - a. Product specification sheet
 - b. Product dating guidelines/chart
 - c. Production worksheet

2. Manufacturing Process – Sauce [4 pages]
 - a. Ingredient List/Specifications
 - b. Production Flow Chart
 - c. Prepared Sauce Standards
 - d. Quality Control/Troubleshooting

3. Manufacturing Process – Cheese [7 pages]
 - a. Pizza Cheese – Ingredient List/Product Specifications
 - b. Pizza Cheese Production Flow Chart
 - c. Pizza Cheese – Quality Control/Troubleshooting
 - d. Specialty Cheeses – Ingredient List/Specifications
 - e. Specialty Cheeses Production Flow Chart
 - f. Ground Specialty Cheese Standards
 - g. Specialty Cheese – Quality Control/Troubleshooting

4. Manufacturing Process – Pizza Dough [8 pages]
 - a. Ingredient list/Specifications
 - b. Making Dough Production Flow Chart
 - c. Cutting and Rounding Dough Production Flow Chart
 - d. Proofing and Cooling Dough Production Flow Chart
 - e. Mixing Dough - Quality Control/Troubleshooting
 - f. Cutting and Rounding Dough – Quality Control/Troubleshooting
 - g. Proofing and Cooling – Quality Control/Troubleshooting

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 Pizza Pit offers you a franchise, it must provide this disclosure 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 Pizza Pit does not deliver this disclosure on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed below:

Wisconsin Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705

The franchisor is SB Acquisition, LLC, 5706 US Highway 51, McFarland, Wisconsin 53558. Its telephone number is 608-221-6777.

Issuance date: January 2, 2026

The franchise seller for this offering is: _____

Pizza Pit authorizes the Wisconsin Department of Financial Institutions, Division of Securities, 4822 Madison Yards Way, North Tower, Madison, WI 53705, to receive service of process for it in Wisconsin.

I received a disclosure document dated December 15, 2025 that included the following Exhibits:

- Financial Statement of SB Acquisition, LLC A
- Individual Unit Agreement B
- Refunds and Cancellations..... A
- Co-Brand Supplement to Individual Unit Agreement B-1
- Disclosure ACKNOWLEDGMENT Statement..... C
- List of Pizza Pit Franchised Units, Outlets Owned and Operated by Franchisor
and Outlets Operated Pursuant to Other License Agreements..... D
- List of Former Franchisees That Have Left the System Within the Past Twelve (12) Months E
- Description of Tables of Contents for Various System Manuals F
- Pre-Authorized Bank Form..... G

Name of Prospective Franchisee:

The Address of the Prospective Franchisee is:

(Please Print)

By: _____
(signature)

_____ (print name of signatory)

-- FRANCHISOR'S COPY --

Date: _____ (Do not leave blank)

You may return the signed receipt either by signing, dating, and mailing it to SB Acquisition, LLC at 5706 US Highway 51, McFarland, Wisconsin 53558.

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(Please Print)

By: _____
(signature)

_____ (print name of signatory)

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