FRANCHISE DISCLOSURE DOCUMENT

MoniPaigey, LLC
dba Sam & Louie's® New York Pizzeria
2929 North 204th Street, Suite 111
Elkhorn, NE 68022
P.O. Box 903
(833) 879-4506
SamAndLouies.com

The franchisee will operate a family restaurant, which specializes in eat-in, carryout, and catering of pizza, pasta, salad, and sandwiches, as well as providing beer, and wine.

The total investment necessary to begin operation of a Sam and Louie's® New York Pizzeria franchise is $218,200 to $496,900. This includes $25,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchisor at the above address and phone number.

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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issue: January 1, 2024

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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state.

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 RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT 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 NEBRASKA. 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 NEBRASKA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT NEBRASKA 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. IF YOU FAIL TO COMPLY WITH THE OPERATING MANUAL WE RETAIN THE RIGHT TO TERMINATE YOUR FRANCHISE (SEE ITEM 8).

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for 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, 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	July 29, 2014

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EXHIBITS

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

Definitions: This franchise is being offered by MoniPaigey, LLC which will be referred to in this disclosure document as "we" or the "Franchisor". MoniPaigey, LLC. is a Nebraska corporation incorporated on August 8, 2018. MoniPaigey, LLC. does business under the name MoniPaigey, LLC. and Sam & Louie's®. Our principal business address is 2929 North 204th Street, Suite 111, Elkhorn, NE 68022.

"You" means the person who buys the franchise, the Franchisee, and includes the parent of Franchisee.

Our affiliated company, Stone Deck, LLC, is a Nebraska corporation incorporated on July 2, 2018. Stone Deck's principal business address is 2929 North 204th Street, Suite 111, Elkhorn, NE 68022. Stone Deck operates Sam & Louie's® located at 2949 North 204th Street, Elkhorn, NE 68022.

Our agents for service of process are listed in Exhibit E of this disclosure document.

Description of the Franchised Business

The franchise (referred to as the "Franchise" or "Franchised Business") being offered to you, and which you will operate, upon signing the Franchise Agreement, is a family restaurant which specializes in eat-in, carry-out, catering, delivery, pizza, pasta, salad, and sandwiches, as well as providing beer, and wine.

Our business activities include the sale or grant of one or more franchises, as described above, to qualified persons to own and operate. This grant includes the right to use all of our trademarks, services marks, and proprietary processes related to this franchise business in accordance with the terms of the Franchise Agreement.

We currently operate a business of the type to be franchised. Our affiliate currently operates a business of the type to be franchised. The first affiliate-owned Sam & Louie's® New York Pizzeria facility commenced operations on February, 2008 in Omaha, Nebraska. It was purchased by Stone Deck August 24, 2018.

The market you will enter into will not be developed by us. The goods to be offered will be sold to the general public. Your competition will include local and national businesses offering the same goods and services as the family-style pizza and pasta restaurant.

There may be special regulations in your state which relate to the serving of food and cleanliness of the facility. Compliance with these regulations, and any similar local regulations, is required. Compliance with laws and regulations that apply to businesses generally is also required.

Prior Business Experience of the Franchisor and its Affiliates

Our affiliate has conducted a business of the type to be operated by you since 1994. We have not offered franchises in any other line of business nor are we involved in any other business activities, other than the activities connected with the franchises being offered in this disclosure document.

2. BUSINESS EXPERIENCE

President

Michael Nolan has served as the President of MoniPaigey, LLC. and its affiliate corporation, Stone Deck, LLC, since August 24th 2018 when Michael and his wife Sarah purchased the business. Michael has been working with Sam & Louie's since 1994 when his parents started the first location.

3. LITIGATION

No person previously identified in Items 1 or 2 of this disclosure document has been involved in any litigation that is required to be disclosed in this Item.

4. BANKRUPTCY

No person previously identified in Items 1 or 2 of this disclosure document has been involved in any bankruptcy proceedings required to be disclosed in this Item.

5. INITIAL FEES

Individual Franchise Fee

Upon signing the Franchise Agreement, you must pay us a Franchise Fee of $25,000.00 for a single unit Franchise. (Section 1.3, page 3)[1] This fee is payable in a lump sum. There are no other fees or payments due for goods or services prior to the store opening. The individual Franchise Fee is non-refundable.

[1] All citation of Section and Page numbers throughout this disclosure document are referenced to the Franchise Agreement, attached to this disclosure document as Exhibit A, unless otherwise specifically noted.

Uniform Offering

Pursuant to this offering, the Franchise Fee is uniform to all franchisees as described above.

6. OTHER FEES*

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	5% of total gross receipts	Payable weekly on Wednesday via ACH	See Footnote 1
Ongoing Advertising	1% of total gross receipts	Established by Franchisor	See Footnote 2
Advertising and Development Fund	3% of total gross receipts	Payable weekly on Wednesday via ACH	See Footnote 3
Late Payments	A maximum of 1½%	Monthly from the date original payment was due	See Footnote 6
Audits	Cost of audit including but not limited to accounting and legal fees	You will be notified 30 days in advance before payment is due	Payable only if audit shows a discrepancy of at least 2% or more. See Footnote 7
Transfer	$5,000.00	Upon consummation of transfer	See Footnote 8
Miscellaneous Fees			See Footnote 10
Insurance			See Items 7 & 9
Training			See Items 7 & 9
Grand Opening			See Items 7 & 9
Renewal of Franchise No renewal fee			

No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. All fees are non-refundable.

FOOTNOTES TO "OTHER FEES" CHART:

Royalty[1]

"Gross receipts" will mean and include the total of all revenues generated from any service provided or any merchandise, products or goods of any nature sold to your customers, whether or not sold or performed at or from the Franchised Business, less sales, use or service taxes collected, and paid to the appropriate taxing authority, and customer refunds. (Section 11.2, page 16)

Ongoing Advertising[2]

You are required to conduct ongoing advertising and promotional programs as determined in your own judgment as necessary, or at the direction of our designated advertising agency. Specific advertising methods are defined in the Confidential Operating Manual or other formats provided by us or our designated agency. These efforts will be for the purpose of stimulating sales, generating customer traffic, creating awareness and continuing or enhancing our name or brand name recognition. This local advertising expenditure is made directly by you subject to our approval or the approval of our designated advertising agency. You are required to expend a minimum of one percent (1%) of your gross receipts during each thirteen (13) week period to fund the ongoing advertising and promotional program. (Section 10.3, page 15)

Advertising and Development Fund[3]

The fund will be maintained and administered by us or our designee. Financial Statements for the Fund will be prepared annually and we may, at our option, require an audit of the operation of the Fund to be prepared by an independent certified public accountant selected by us and prepared at the expense of the Fund. The Franchisor may receive marketing funds from manufacturers and suppliers paid based on the purchases of the Franchised and Corporately owned locations. All marketing funds are paid to the Franchisor. An accounting of the operation of the Fund will be made available to you upon request.

For each of our company-owned or affiliate-owned facilities offering products and services similar to the Franchised Business, we will contribute to the Fund as required, but not to exceed the gross dollar contribution of the highest revenue producing franchisee. The fees paid to the Fund are used to meet all costs of maintaining, administering, directing, preparing and reviewing national, regional and local advertising materials and programs, promotional materials and activities, and are in addition to and exclusive of any sums that you may spend on local advertising and promotion. We are unable to determine an estimate of the percentages spent on production, media placement or administrative expenses. We will direct all advertising programs and have sole discretion over the creative concepts, materials and media used in these programs. All sums paid by you to the Fund will be maintained in a separate account from any other Funds and will not be used to defray any of MoniPaigey, LLC general operating expenses. The exception is for reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs. If excess amounts remain in the Fund at the end of a fiscal year, all expenditures in the following fiscal year(s) will be made first out of any current interest or other earnings of the Fund, next out of any accumulated earnings, and finally from the principal. (Section 10.2, pages 14-15)

<u>Cooperative Advertising</u>[4]

A group of franchisees may designate a local, regional or national advertising coverage area in which your facility and at least one other franchise is located for purposes of developing a cooperative local or regional advertising or promotional program. Franchisees will be responsible for the administration of this cooperative advertising.

<u>Late Payments</u>[5]

If you fail to pay when due any Continuing Services and Royalty Fee, advertising contributions, amounts due for purchases by you from us or our affiliates, or other amounts due to us or our affiliates, this amount will bear interest at the highest applicable legal rate for open account business credit, not to exceed one and one-half percent (1½%) per month from the date this payment was due. Failure to pay amounts when due also constitutes grounds for termination of the Franchise Agreement. (Section 11.5., page 17; Section 17.3, page 32-33)

We have the sole discretion to apply any payments by you to any past due indebtedness incurred by you for Continuing Services and Royalty Fees, advertising contributions, expenses, purchases from us and our affiliates, interest or any other indebtedness We are not obligated to accept payments after they are due. Failure by you to pay amounts when due will constitute grounds for termination of the Franchise Agreement. (Section 11.5, page 17, Section 17.3, page 32-33)

Audits[7]

You must establish and maintain a bookkeeping, accounting and record keeping system conforming to our requirements, including use and retention of sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursements, journals and general ledgers (Section 12.1, page 18). You must also submit periodic reports, forms and records as specified in writing by us in the Confidential Operating Manual or otherwise in writing. (Sections 12.2, page 18)

On or before the 15th day of each month, you must also provide us an activity report and a profit and loss statement for the last preceding calendar month. Within 90 days of the end of each fiscal year, you must submit to us a profit and loss statement for the fiscal year and a balance sheet as of the last day of the fiscal year, prepared on an accrual basis and including all adjustments necessary for fair representation of financial statements. We may require you to submit annual financial statements prepared in accordance with generally accepted accounting standards, reviewed or audited by an independent certified public accountant. (Section 12.3, page 18)

We or our representatives have the right at all reasonable times to examine and copy your books, records and tax returns. We may also, at our expense, have an independent audit made of your books. If inspection reveals a discrepancy in the amount of payments made by you to us, you must immediately pay us any amounts owed, as well as interest on the unreported receipts at the maximum rate permitted by law. Upon discovery of a discrepancy of two percent or more, you must also pay and reimburse us for all costs and expenses connected with this inspection, including reasonable accounting and legal fees. (Section 12.6, page 19)

Transfer[8]

Upon sale or other alienation of the Franchise by you, you or the transferee must pay a transfer fee of $5,000 to us in lieu of payment of any franchise fee or other charge. The transfer fee is for the training, supervision, administrative costs, overhead, counsel fees, accounting and other expenses pertaining to the transfer. There is no transfer fee pertaining to the assignment or transfer of the Franchise by an individual or partnership to a corporation under Section 19.8 of the Franchise Agreement. (Section 19, pages 37-40)

Miscellaneous Fees[9]

You must reimburse us for any expenses incurred by us to enforce any obligation on your behalf under the Franchise Agreement or to defend any claim, demand, action or proceeding brought against us or based on your failure to perform your obligations under the Franchise Agreement. (Section 25, page 43)

You must also reimburse us for all expenses incurred, including reasonable compensation if we operate the Franchised Business if you are unable to operate this business by reason of illness, incapacity or death. (Section 20.2, page 40)

If you are notified of a default under the Franchise Agreement and fail to cure this default within 15 days after receipt of notice, we may, at our option, operate the Franchised Business until the default is cured. You must pay a service fee of at least $200 per day plus expenses to us for services rendered as a result of this action. (Section 17.3, pages 33-34)

* Except where otherwise specified, we or our affiliates impose all the fees in this table, you pay them to us or our affiliate, and we (or our affiliate) do not refund them.

7. YOUR ESTIMATED INITIAL INVESTMENT*

You can anticipate the following expenses in the start-up of the franchise. Amounts are estimated based on anticipated expenses incurred during the first 30 to 60 days of operation in an average location, except for a Grand Opening promotion, which must be completed within the first six months of operation.

	Estimated Amount			
Expenditure	***Low***	***High***	***When Due***	***To Whom Paid***
Franchise Fee[1]	25,000.00	25,000.00	Agreement Signing	MoniPaigey, LLC
Rent[2]	2,000.00	6,500.00	Monthly	Lessor
Lease & Utility Deposit[3]	4,000.00	9,000.00	Prior to Opening	Lessor, Utility Companies
Leasehold Improvements[4]	45,000.00	147,000.00	As Arranged	Lessor or Contractors
Architect	500.00	5,000.00	As Arranged	Selected Suppliers
Equipment & Installation[5]	110,000.00	150,000.00	50% Down & 50% Before Delivery	Approved Suppliers
Furniture & Installation	2,500.00	35,000.00	50% Down & 50% Before Delivery	Approved Suppliers
Inventory[6]	7,000.00	8,500.00	7 Days After Delivery	Approved Suppliers
Audio/Visual[7]	2,000.00	6,500.00	As Arranged	Selected Suppliers
Training[8]	5,000.00	7,500.00	As Arranged	Hotels, Travel, Restaurants
Point-of-Sale Systems[9]	2,200.00	3,200.00	50% Down & 50% Before Delivery	Approved Suppliers
Signage[11]	2,000.00	7,500.00	50% Down & 50% Before Delivery	Approved Suppliers
Insurance[12]	500.00	700.00	As Incurred	Selected Suppliers
Pre/Grand Opening Marketing	500.00	2,500.00	As Incurred	Approved Suppliers
Health/Food/Liquor Permits & Licenses	2,000.00	12,000.00	As Incurred	Approved Suppliers
Miscellaneous	2,500.00	5,000.00		
Additional Funds - 3 mos.[13]	10,000.00	15,000.00	As Incurred	Suppliers, Vendors, Employees
*****TOTAL[14] *****	**$218,200.00**	**$496,900.00**		

FOOTNOTES TO "INITIAL INVESTMENT" CHART:

Initial Franchise Fee[1]

The initial Franchise Fee is further described in Item 5 of this disclosure document and is used to defray our costs for providing training, promotional assistance and materials, and other services to be provided by us.

Rent[2]

Rent for a location in which to operate the Franchised Business will vary based on location, square footage, age and condition of the structure, lease arrangements and other factors. This estimate is based on a facility, in the Midwest, located in a strip shopping center, downtown, developing area, non-industrial, or rural location consisting of approximately 1,500 to 3,500 square feet.

Rent is not applicable if the unit is constructed by you. If a freestanding unit is leased and remodeled from an existing structure rent is too variable to estimate. Rent factors will be based on size of unit, area and conditions and terms negotiated between you and the lessor.

Lease and Utility Security Deposits[3]

Lessor and utility companies may require that you place a deposit before occupying the premises and before installing telephone, gas, electricity and related utility services. These deposits may be refundable in accordance with the agreements made between the lessor and utility companies.

Construction and/or Leasehold Improvements[4]

The cost of construction or leasehold improvements depends upon the size and condition of the premises, the local cost of contract work, construction allowance provided by lessor and the location of the facility. The range of figures provided is the cost of reasonable renovation or leasehold improvements for a facility of 3000 square feet, using a low factor of $30.00 per square foot, to a high of $40.00 per square foot. If the space leased was previously a restaurant the cost can be significantly lower.

Kitchen & Bar Equipment[5]

The equipment necessary for the operation of a franchise is listed in the Confidential Operating Manual.

Inventory[6]

Your initial supplies and inventory may be purchased from any supplier approved or designated in accordance with the Franchise Agreement and Item 8 of this disclosure document. The initial inventory expenditure will vary according to anticipated sales volume, seasonal fluctuations and current market prices for supplies.

Audio/Visual[7]

Your site layout will include the placement of large screen televisions and an audio system. The standard requirements range from four (4) or more televisions and an adequate audio system.

Training[8]

The training expense will vary based on the number of people you need to train, distance traveled, mode of travel, time in training, choice of accommodations, food and entertainment, and salaries or other compensation paid by you to your employees during training.

Computer & Point-of-Sale System[9]

The computer hardware, software and peripheral equipment are specified in the equipment list. This is a fully integrated system, which provides all management and accounting functions and provides for home- office polling. The equipment and service is provided by an approved vendor.

Grand Opening[10]

The Grand Opening expense will vary based on market location, type of Grand Opening activities, media used, local cost of media and other related factors. This promotion is for the purpose of creating customer awareness in the trade area and should include promotional media, i.e., social media, newspaper, direct mail, radio, exterior banners, flyers or other viable media.

Signage[11]

The estimated range provides for external signage of the facility from which the business will operate. Signage costs will vary greatly and may exceed the projected amounts based on size of sign, style, material used, local contractor fees, lessor requirements, and local fees and permits. This estimate is considered to be a reasonable amount for the type, material and size of signage recommended for franchised operations.

Insurance[12]

You are required, prior to taking possession of the franchise location, to acquire and maintain in effect insurance with coverage required by terms of any lease of the premises and as required in Section XV of the Franchise Agreement. Amounts indicated in the Initial Investment chart are estimated monthly premiums for this coverage.

You must maintain the following insurance coverage, naming us an additional insured: (Section 15, pages 28-29)

(1) Comprehensive general liability insurance, including products liability, personal and advertising injury, property damage, personal injury coverage with a single limit, each occurrence, of at least $1,000,000. Minimum limits may be modified by written notice to you;

(2) Medical expense insurance with a minimum limit of $5,000;

(3) Workers' compensation, employer's liability, and other insurance to meet statutory requirements;

(4) Fire, vandalism, theft, burglary, and extended coverage insurance with primary and excess limits of at least 80 percent replacement value of the Franchised Business and fixtures, equipment and inventory;

(5) Liquor liability with an aggregate limit of $2,000,000 and a common cause limit of $1,000,000;

(6) Business auto liability with a single limit liability, uninsured/ underinsured motorists, and hired and non-owned auto liability with a minimum limit of $500,000 and a $5,000 medical payments minimum;

(7) Inland marine and commercial umbrella coverage of a minimum $1,000,000; and

(8) Business interruption insurance.

You must also submit to us a Certificate of Insurance showing compliance with the above items within three months of signing the Franchise Agreement, and at least two weeks before you take possession and begin development of the premises from which you will operate the franchise (Section 15.3, page 29). The cost of premiums for this insurance will vary depending on the nature and value of the physical assets, gross revenues, number of employees, square footage, location and other factors bearing on risk exposure.

Should you fail to procure the required insurance coverage, we have the right to procure the insurance for you and charge the cost of this, as well as a reasonable fee for expenses incurred by us in connection with such procurement, to you. (Section 15.4, page 29)

Additional Funds-3 months[13]

This amount is an estimate of your initial start-up expenses. This figure includes operating expenses and employee's salaries. We cannot guarantee that you will not have additional expenses in starting the business. The amount of additional funds required will vary depending on factors such as: your adherence to our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; the time of year operations begin; amounts expended on advertising; and, the sales level reached during the initial period.

Total Initial Investment[14]

We relied on over 25 years of experience in the family restaurant business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

There are no other fees to be paid by you to us to begin operation of the Franchised Business. Any fees paid to us are not refundable except as outlined in Item 5 of this disclosure document; fees paid to any third party may be refundable depending upon the contracts, if any, between you and the third party.

We do not offer, either directly or indirectly, financing to franchisees for any items. However, we may provide assistance to you in obtaining financing.

* Unless otherwise stated, none of the expenses described in this chart is refundable.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure quality and uniform standards, you must operate the Franchised Business under approved guidelines and use in the operation of the Franchised Business products, merchandise, supplies, vendors and suppliers that meet specifications and standards required by us.

Confidential Operating Manual and Process Techniques Manual

We will loan to you, during the term of the franchise, one or more copies of a Confidential Operating Manual and Process Techniques Manual containing reasonable, mandatory and suggested specifications, standards, operating procedures, cooking procedures and processes, rules and process techniques required by us for our facilities and information relative to other obligations you have under the Franchise Agreement and the operation of your Franchised Business. The Confidential Operating Manual and Process Techniques Manual contains our proprietary information and all such information disclosed now or during the term of the Franchise Agreement will be kept confidential by you. This confidentiality survives the expiration or termination of the Franchise. We have the right to add to and otherwise modify the Confidential Operating Manual and Process Techniques Manual to reflect changes in the specifications, standards, operating procedures, rules and process techniques required by us for Franchised Businesses. No addition or modification will alter your fundamental status, rights and obligations under the Franchise Agreement. (Section 7, pages 11-12)

The Confidential Operating Manual and Process Techniques Manual will at all times remain our sole property and will promptly be returned with all partial or complete copies or sections upon the expiration or other termination of the Franchise Agreement. (Section 7.1, page 11; Section 18.4, page 35)

You will at all times insure that your copies the Confidential Operating Manual and Process Techniques Manual are available at the restaurant in a current and up-to-date manner. If there is any dispute as to the contents of the Confidential Operating Manual or Process Techniques Manual, the terms of the master copy of the Confidential Operating Manual and Process Techniques Manual maintained by us at our home office will be controlling. (Section 7.4, page 12)

Failure to follow the mandatory specifications and standards provided in the Confidential Operating Manual and Process Techniques Manual, as amended, constitutes a material breach of the Franchise Agreement. If this material breach is not cured within fifteen (15) days of receipt of the written notice from us of default, we may terminate the Franchise Agreement. (Section 17.3(11), page 34)

Approved Products, Supplies and Suppliers

We will provide you with an Approved Suppliers List and Approved Supplies List necessary to operate the Franchised Business which specifies the suppliers and items that we have approved to be carried or used in the System. Specifications may include minimum standards for performance, warranties, design, appearance and local zoning, ordinances and other restrictions. We may revise the Approved Suppliers List and Approved Supplies List at our sole discretion. These approved lists will be submitted to you, as we deem advisable. You may purchase any of the items, which meet our specifications from any source approved by us. (Section 4.1, page 7; Section 13.12, page 23; Section 13.13, page 23)

We apply the following general criteria in designating a proposed supplier as an approved source-.

(1) Ability to make the product to our high quality specifications and standards;

(2) Production and delivery capability;

(3) Integrity of the supplier; and

(4) Financial condition of the supplier.

You may offer for sale and sell only such products and services, which we authorize for franchisees. You may not, without our prior written approval, offer any other products or services, nor will the Franchised Business be used for any purpose other than the operation of an authorized franchise in compliance with the terms of (i) the Franchise Agreement and (ii) the Confidential Operating Manual. (Section 13.7, page 22; Section 13.11, page 23)

If you propose to offer for sale at the Franchised Business any brand of product or to use in the operation of the Franchised Business any item that is not then approved by us as meeting our minimum specifications and standards of appearance or quality, or to purchase any item from a supplier that has not been designated by us as an approved supplier, then you must first notify us, and, upon our request, submit samples and other information as required for examination and/or testing to determine whether the item(s) will meet our specifications and quality standards. A charge not to exceed the actual cost of testing may be made by us and will be paid by you or the supplier. We reserve the right, at our option, to re-inspect the facilities and products of any supplier of an approved item and to revoke its approval for any item, which fails to continue to meet any of our criteria. Upon our acceptance and approval of item(s) and suppliers submitted to be included on the Approved Suppliers List and Approved Supplies List, you will be free to purchase the item(s) from the newly approved supplier(s). (Section 13.14, pages 23-24)

In the operation of your Franchised Business you are required to use only displays, containers, labels, forms, and other paper and products imprinted with our trademark, color scheme, logo, etc. as required by us or may be part of the Confidential Operating Manual. (Section 13.27, page 26)

You are prohibited from making material alterations to the facility, material replacements of or alterations to the computer hardware, software or other equipment, flooring, furnishings, fixtures, signs or decor of the Franchised Business which may materially change or alter the appearance, function or operation of the facility, without our prior written approval. (Section 13.9., page 22)

Franchisor and/or its Affiliates as Approved Suppliers

Our affiliates and we are approved suppliers for every category of goods to be used with our trademark. If you purchase these goods from us or our affiliate to be used in the operation of the Franchise, we may derive income from such goods purchased. The price may reflect an ordinary and reasonable profit consistent with a business of the kind, which produces and/or supplies those goods.

MoniPaigey receives a rebate from some of its approved suppliers for some of the products purchased by franchisees. The amount of these rebates varies based upon the manufacturer, the item purchased, and the quantity purchased. The cost of supplies purchased in accordance with our specifications will represent 30-35% of your total purchases during operation of the business.

Designated Suppliers

You must purchase only approved and authorized supplies. As a franchisee you will have immediate access to the approved Suppliers subject only to your credit arrangements with such supplier. Franchisor may designate from time to time, in writing, other suppliers. Franchisor does not provide material benefits to the franchisees as a result of franchisee's use of approved suppliers. The Franchisor does negotiate purchase arrangements on behalf of the Franchisees.

Any assignment of designated suppliers and supplies will be granted or revoked, issued or modified in the same manner as the approved suppliers and supplies. The designated supplies list is included in the Confidential Operating Manual.

The Franchised Business will reflect the then-current image intended to be portrayed by our facilities. All remodeling, modernization and/or redecoration of the premises of the Franchised Business must be done in accordance with the standards and specifications as required by us and with our prior written approval.

You must maintain the then-current proprietary Point of Sale hardware, software and peripheral items and equipment as may be necessary for the operation of our Franchised Businesses, including the modification, upgrade or replacement of items as required by us throughout the term of the Franchise Agreement or any other successive agreements and as detailed in Item I of this disclosure document. (Section 13.23, page 24)

Specifications and Standards

You will fully comply with all mandatory specifications, standards, operating procedures and rules including: (Section 13.25, page 25)

(1) The safety, maintenance, cleanliness, design, sanitation, function and appearance of the Franchised Business premises and its equipment, fixtures, decor, signs, and the maintenance and service agreements therefore;

(2) Training, dress, general appearance and demeanor of Franchised Business employees;

(3) Type, quality, uniformity, and the manner of packaging, displaying, and selling of all goods and services sold by the Franchised Business;

(4) Hours during which the Franchised Business will be open for business (which may be controlled by the provisions of the facility lease or services rendered by the franchise);

(5) Advertising and promotional programs;

(6) Use and retention of standard forms;

(7) Use and illumination of signs, posters, displays, point-of-sale materials and similar items;

(8) Procedures concerning the present or future maintenance, upgrade and use of any Proprietary Software Program(s) which may be developed and introduced into the system relating to any aspect of the Franchised Business, but with particular emphasis on bookkeeping or Point of Sale procedures;

(9) Identification of Franchisee as the owner of the Franchised Facility;

(10) The handling of customer complaints

No specification, standard, operating procedure or rule will be unreasonable or inconsistent with any provision of the lease for the premises of the Franchised Business or contrary to good business practices. You must comply with all mandatory specifications, standards, operating procedures and techniques and other rules required by us in the Confidential Operating Manual. (Section 13.25, page 25)

You must secure and maintain in force all required licenses, health and other permits and food-handling and other certificates relating to the operation of the Franchised Facility and shall operate the Franchised Facility in full compliance with all applicable laws, ordinances and regulations and health codes, including, without limitation, all federal, state and local government regulations relating to occupational hazards and health and worker safety (OSHA), EEOC laws, ADA laws, consumer protection, trade regulation, wage and hour, worker's compensation, unemployment insurance and withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes. Franchisee agrees to refrain from any merchandising, advertising or promotional practice which is unethical, illegal or immoral, or may be injurious to the business of the Franchisor and/or other franchisees or to the goodwill associated with the Mark(s). (Section 13.26, pages 25-26)

You must procure and maintain in full force and effect an insurance policy or policies protecting yourself and us, as well as our officers, directors, partners and employees, against any loss, liability, personal injury, death or property damage or expense involving the Franchised Business, as we may reasonably require for our own and your protection. We will be named an additional insured in this policy or policies. You will procure these policies before beginning operation of the Franchised Business. (Section 15.1, page 28)

You must notify us in writing within five (5) days of the beginning 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 or our trademarks. (Section 13.35, page 27)

You must comply with all specifications and standards required by us regarding any Proprietary Software Program(s) developed, now and in the future, and custom designed by us for use in the System (hereinafter our Proprietary Software Program) and as provided in the Confidential Operating Manual. This unique software will be implemented, at our discretion, into the System upon final development. (Section 13.23, page 25; Section 13.25, page 25)

Inventory Requirement

You must, at all times, maintain an inventory of products, merchandise and adequate materials and supplies that will permit the operation of the Franchised Business at maximum capacity based on sales activities and seasonal fluctuations. Inventory levels will be maintained to sustain sales at a daily customer level that may reasonably be expected based on average sales over the preceding three- month period and allowing for seasonal fluctuations and delivery lead time of suppliers and vendors. Excluded from this minimum requirement is the beginning of operations where you must have an initial opening inventory of approximately $7,000.00 to $8,500.00, at cost. (Section 13.28, page 26)

Sales Solicitation and Public Relations Activities

The reputation and goodwill of the System and the Mark Sam & Louie's® are based upon, and can be maintained and enhanced by, the development and maintenance of a solid customer base, rendering fast, efficient and high-quality service, and the uniform offering of high-quality products and services by the franchisee consistent with the guidelines approved for every Franchised Facility. At all times during the term of your franchise, you will use your best efforts to develop the market for our products and to effect the widest and best possible name recognition within local market and to promote our System. (Section 13.29, page 26) Your failure to devote your best efforts to adequately represent the Marks and the System through your promotion and service efforts, such failure resulting in a materially adverse effect on the Marks and the System, shall be deemed to be just cause for termination. (Section 1.4, page 3)

9. FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

Obligation	***Section in Agreement***	***Disclosure Document Item***
a. Site selection and acquisition/lease	Sections 1.1, 3, and 13.1-13.2	Item 11
b. Pre-opening purchases/leases	Section IV, 13.4, 13.11-13.13	Items 7, 8
c. Site development and other pre-opening requirements	Sections 3.6, 13.1-13.2, 13.5, 13.26	Items 5, 6, 7, 11
d. Initial and ongoing training	Section V	Item 11
e. Opening	Section 13.2	Item 7
f. Fees	Sections 1.3, 3.5, X, XI, 12.6, 17.3, 19.5, XV	Items 6,7, 17.m.
g. Compliance with standards and policies/Operating Manual	Section VII, IX, XIII	Items 8, 11
h. Trademarks and proprietary information	Sections VI, VIII	Items 13, 14
i. Restrictions on products/services offered	Section XIII	Items 8, 11,16
j. Warranty and customer service requirements	Sections 1.4, 13.20, 16.2-16.3	Item 15
k. Territorial development and sales quotas	Sections I, III, no sales quotas	Item 12, no sales quotas
l. Ongoing product/service purchases	Section XIII	Items 7, 8, 11
m. Maintenance, appearance and	Sections 3.7, 13.6	Item 6

Obligation	*Section in Agreement*	*Disclosure Document Item*
remodeling requirements		
n. Insurance	Section XV	Items 6, 7, 8
o. Advertising	Section X	Item 6
p. Indemnification	Section 22.3	Items 17.f., I., l.
q. Owner's participation/ management/staffing	Sections V, 13.5, 13.33	Item 15
r. Records/reports	Section XII	Item 6
s. Inspections and audits	Sections 6.5, 12.5-12.6, 13.21	Items 6, 8
t. Transfer	Section XIX	Item 17.k., l., m.
u. Renewal	Section II	Item 17.b.
v. Post-termination obligations	Sections XVII and XVIII	Item 17.f.
w. Non-competition covenants	Section XVI	Item 17.q., r.
x. Dispute resolution	Section XXIX	Item 17.u.

10. FINANCING

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

We may, at your request, assist you in obtaining financing from a third party for all or part of your investment; however, we will not guarantee any part of your obligation, and we will not receive any benefit for this assistance.

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

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

Franchisor's Obligations Before the Opening of the Franchised Facility:

We will use reasonable efforts to help analyze your market area to help determine site feasibility and to assist in the determination of a franchise location which we must approve (Section 3.4, page 6). We do not generally negotiate the purchase or lease of this site nor do we generally own the premises to be purchased or leased by you. Franchisees typically experience a time lapse of two to seven months after signing the franchise agreement until their stores are open.

You will be able to view the Confidential Operating Manual before you sign the Franchise Agreement or any other agreement to assist in a site determination. The table of contents of the Confidential Operating Manual, including our Administration Manual and Development Manual, is shown as Exhibit C hereto. The Manual consists of 264 pages. The Confidential Operating

Manual will outline our premises design requirements, color schemes, etc. which must be adhered to.

Items required to set up the Franchised Facility must be acquired from the Approved Supplies List and Approved Suppliers List in the Confidential Operating Manual.

You must use the required compatible Point of Sale system and software program(s) in the operation of the Franchised Facility in order to maintain system compliance and uniform analysis of all franchised operations. The type of business information and/or data that will be collected and generated by this System will include sales, product minimums, customer count, sales amount per customer, taxes, discounts and other marketing and financial information. We will have full access to all of your data, system and related information by means of direct access whether in person or online. The Franchisor will have independent access to all of the data and information collected by Franchisee using all electronic equipment and systems. (Section 12.5, page 18).

We may provide other advice or guidance relative to prices, obtaining financing, purchasing, advertising, and selecting inventory for the service and/or products offered for sale by the Franchised Business that in our judgment constitute good business practice.

Franchisor's Obligations During the Operation of the Franchised Facility:

We have determined, as appropriate, which products or services offered will be outlined in the Franchise Agreement for the successful operation of such a franchise.

For a minimum of ten (10) business days during the first month of operation of your Franchised Facility, we will furnish to you, at your premises and at our expense, one of our representatives for the purpose of facilitating the opening of your Franchised Facility. During this period, such representative will also assist you in establishing and standardizing procedures and techniques essential to the operation of a Franchised Facility and shall assist in training personnel. Should you request additional assistance from us in order to facilitate the opening of the Franchised Facility, and should we deem it necessary and appropriate, you shall reimburse us for the expense of providing such additional assistance. (Section 5.4, page 9)

We may periodically revise the Confidential Operating Manual and Process Techniques Manual, etc. to update the specifications, standards, operating procedures, cooking procedures and processes, rules, process techniques and operating procedures and rules as may be required. (Section 7.3, page 12)

We will, as deemed necessary, advise or offer you guidance on pricing for the products and services offered by the Franchised Facility, based upon good business practice and experience. You are not obligated to accept any advice or guidance and will have the sole right to determine the prices to be charged by the Franchised Facility. (Section 14.1, page 27)

We have established administrative, bookkeeping, accounting and inventory procedures, as outlined in the Confidential Operating Manual.

We will establish and maintain the Advertising and Development Fund, as detailed in Item 6 of this disclosure document. (Section 10.2, pages 14-15)

We will review all promotional materials and advertising to be used by you including, but not limited to, newspaper, radio, television or online advertising, direct mail, specialty and novelty items, signs, point of sale displays, door hangers, menus and other promotional materials. You must obtain our approval before using any advertising materials. (Section 10.1, pages 13-14) We do not maintain an advertising council composed of franchisees that advise us on advertising policies. Our advertising program is described in Item 6 of this disclosure document.

We will provide you the following (Section 14.2, page 27)

(1) An Approved Suppliers List establishing sources of foodstuffs, equipment, furniture, fixtures, and signage necessary for the operation of the Franchised Facility and an Approved Supplies List providing specifications for these products;

(2) Coordination, when appropriate, of product distribution and purchasing for local, regional and national suppliers; and,

(3) Regulation of quality standards and products in conformance with those utilized throughout the network of Franchised Facilities.

We will advise you of problems arising out of the operation of the Franchised Facility as disclosed by your reports or by our inspections of the Franchised Facility. We may furnish you with assistance in the operation of the Franchised Facility as we may reasonably determine is necessary in the following areas: (Section 14.3, page 27)

(1) Proper use of our franchise procedures relating to the performance of restaurant services;
(2) Additional products and services authorized for Franchised Facilities

(3) Purchase of materials, equipment, raw materials (food), and supplies

(4) The institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a Franchised Business;

(5) Procedures concerning our trademarks, copyrights and patents as well as Proprietary Software Program(s); and

(6) Signage, advertising and promotional programs.

We will make periodic visits to your Franchised Business for consultation, assistance, and guidance in all aspects of the operation and management of the Franchised Business. Our representative will prepare written reports outlining any suggested changes or improvements in the operation of the Franchised Business and detailing any defaults therein, which become evident as a result of any visit. A copy of each written report will be provided to both you and us. (Section 14.4, page 28)

We will provide and deliver the Approved Suppliers List, Approved Supplies List, approved merchandise and product information, and the training and operating manuals to you pursuant to the Franchise Agreement within ten (10) days after signing the Franchise Agreement. (Section 14.5, page 28)

We may provide other supervision, assistance or services during the operation of the Franchised Business, including providing promotional materials, information on new products, services or promotional techniques, refresher training courses and advertising materials.

Location Selection

We must approve the site for the Franchised Business based upon:

(1) The site's general location relative to the target market, lease rates, and area demographics.

(2) The site must be accessible, easy for customers to find and have acceptable traffic flow patterns and street access.

(3) The site must be visible from traffic ways

(4) The size of the facility should be in the range of 1500 to 3500 square feet.

(5) The site must have a generally pleasant aesthetic appearance both inside and out.

(6) There must be sufficient customer parking proximately located to the site.

(7) Population demographic results; the type of tenants (if any), total tenant mix, type of businesses, success and occupancy rate (if strip center, mall or multi-tenant structure) of the location.

(8) Future construction or reconditioning plans by city, county, or others that may impede or block the natural flow of vehicular or pedestrian traffic or cause a hazardous environment, which could affect the business operations of the facility.

Training Programs

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Financial Controls	3	2	
General Bookkeeping Procedures	3	4	See Footnote 1
Cash Register & Computer Operations	3	16	
Sanitation	1	3	
Maintenance	1	2	
Marketing & Advertising Techniques	3	10	
Service & Operational Techniques	5	40	
Deployment of Labor	2	2	
Hiring & Training Procedures	2	6	
Product Knowledge:			
Pizza	2	60	
Pasta	1	10	
Salads & Sandwiches	1	10	
Prep	1	10	
Bar Operations	1	2	

Location[1]: Two (2) weeks of your training will be spent at the affiliate facility in Omaha, Nebraska and up to ten (10) days at the franchised facility.

You acknowledge the importance of quality of business operations among all Franchised Businesses in our System and agree to enroll your managers, present and future, in these training sessions as we may designate. We will make training available to you and your designated manager, if applicable, and, at your option, to one additional management employee. You and, if applicable, your manager must attend and successfully complete, to our satisfaction, the familiarization and training program before commencing operation of the Franchised Business. The duration of this training program will depend on experience, aptitude and progress. The initial training, including classroom and in-unit training, will be two (2) weeks in length or until you are fully competent to operate an independent Franchised Business. (Section 5.1, page 8)

You must complete the required training at least one (1) week before opening your Franchised Business. Training will be located at any authorized training facility we may designate, as well as at our affiliate-owned operation, Sam & Louie's®, and will be held on an as-needed basis but within thirty (30) days of signing your Franchise Agreement.

Training will be conducted under the supervision of the individuals identified in Item 2 of this disclosure document. All training instructors have a minimum of five years experience in all subjects taught. All instructional materials are contained in the Confidential Operating Manual.

The cost for the initial training program for you and/or your designated manager and one other management employee is included in the initial Franchise Fee, but you are responsible for travel, room and board, compensation and other expenses incurred by you and/or your representatives while attending the program. (Section 5.3, page 9)

Each of your employees must complete a training program as required by us in the Confidential Operating Manual. (Section 5.5, page 9)

To facilitate the opening of your Franchised Business, we will send one of our representatives to your facility for a minimum of ten (10) business days during the initial month of operation. This representative will assist you in establishing and standardizing procedures and techniques essential to the operation of your Franchised Business as well as training of personnel. We may provide additional assistance in order to facilitate the opening of the Franchised Business, if you so request and at your expense. (Section 5.4, page 9)

We may provide refresher training programs or seminars. The refresher programs or seminars will address common problems experienced by our franchisees, advancements in new products, or services or techniques to be utilized by our System. Seminars and refresher training programs will be conducted at your expense. Attendance will not be required at more than one (1) program in any calendar year and will not collectively exceed five (5) business days in duration (excluding travel time) during any calendar year. (Section 5.7, page 10)

12. TRADEMARKS

We will grant you the non-exclusive right to use the name Sam & Louie's® and the name Sam & Louie's® New York Pizzeria as principal trademarks in the operation of your franchise.

The name Sam & Louie's New York Pizzeria was registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") on July 20, 2004, with registration number 2865624. We subsequently chose to shorten the registered name to Sam & Louie's® and the registration for Sam & Louie's New York Pizzeria was canceled on November 26, 2012. The shortened name Sam & Louie's® was registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") on March 19, 2013, with registration number 4303118.

Pursuant to the Franchise Agreement you are granted the right, franchise and privilege to use the name Sam & Louie's® and the name Sam & Louie's New York Pizzeria, associated logos and other of our marks pertaining to the Franchised Business.

As the owner of the Mark, we claim common law rights to the above-listed trademark, and any related service marks, trade names and the Proprietary Marks, which have been used or we intend to use in interstate commerce. We warrant that we have full rights to license these Marks. In addition, we will protect all proper uses of these Marks.

Based on information and belief, there are no presently effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending interference, opposition or cancellation proceeding, or any pending material litigation involving these trademarks, service marks, trade names, logotypes or other commercial symbols which are relevant to their use in any state. There are no agreements currently in effect which significantly limit our right to use or license the use of these trademarks, service marks, trade names, logotypes or other commercial symbols material to you.

There are no infringing uses or superior prior rights actually known to us that could materially affect your use of these trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any other state.

You recognize that we may change or modify the System presently identified by the mark Sam & Louie's®**,** including the adoption and use of new or modified trade names, service marks, trademarks or copyrighted materials, new inventory items, new products, new equipment or new techniques and that you will accept, use and display any changes in the System as if they were part of the Franchise Agreement at the time of signing. (Section IX, page 13)

All use of the Marks by you and any goodwill established therein will benefit us. (Section 6.1, page 10)

You are obligated to promptly notify us of any claim, demand, or cause of action pertaining to any attempt by any other person, firm or corporation to use the Marks or any colorable imitation and we will have sole discretion as to whether or not to take action and the type of action to take. We have the right to exclusively control any action regarding a third party's use of our Marks. You must sign all instruments and documents, render assistance and do other things that are, in our counsel's opinion, necessary to protect our proprietary interests. We warrant that we have exclusive rights in the System, trade names, trademarks, and service marks licensed in the Franchise Agreement. (Section 6.3, page 10)

You are not authorized to use any mark as part of any corporate or trade name, in whole or modified form, or with the sale of any unauthorized product or service. (Section 6.2, page 10) You must comply, within a reasonable time, if notified that the use of any Mark be discontinued or modified as a result of a proceeding or settlement or any other reason deemed appropriate by us. (Section 6.4, page 11)

You are prohibited from advertising, or using in advertising or promotions, our trademarks without the appropriate U.S. registration symbol (®) or the designations ™ or ℠ for unregistered marks. In addition, where appropriate, the copyright notice (©) should be used in the format designated by us and including the year of publication and Franchisor's name, e.g. ©2000 MONIPAIGEY, LLC. (Section 10.6, page 16)

In order to protect the validity and integrity of the Marks and to insure that you are using them properly in the operation of your Franchised Business, we or our agents will have the right of entry and inspection of your premises at all reasonable times and to observe the means in which you render services and conduct operations. In addition, we may confer with your employees and customers and select various goods being sold, and other items, products, materials and supplies, for evaluation purposes and insure that these items, services, products, materials, equipment and operations are satisfactory and meet our quality control provisions and performance standards. (Section 6.5, page 11)

13. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents or copyrights are material to the franchise except as provided below. We will maintain all patents, copyrights and proprietary information in full force and effect by timely filing all renewals and paying all annuities, where necessary.

Proprietary Information

We claim common law rights and copyright protection for our Confidential Operating Manual, training materials, recipes, Process Techniques Manual, and other documents used with the offer, sale and operation of the Franchised Business.

You acknowledge that your entire knowledge of the operation of a Franchised Business, including the specifications, standards and special operating procedures of a Franchised Business is derived from information disclosed to you by us. The information disclosed is our proprietary, confidential trade secrets. You agree that you will maintain the absolute confidentiality of all proprietary information during and after the term of the Franchise including controlling the dissemination of information to your employees and confirming to them the proprietary nature of the information disclosed. You will not use any information disclosed to you here in any other business or in any manner not specifically authorized or approved in writing by us. (Section 8.1, page 12)

You will divulge confidential information only to those of your employees on a need-to-know basis in order to operate the Franchised Business. All information, knowledge and know-how, including proprietary recipes, cooking processes, cooking techniques, drawings, materials, books, equipment, operating techniques, operating systems, customer lists, computer software systems, and other data will be deemed confidential for purposes of the Franchise Agreement, except information which you can demonstrate came to your attention before our disclosure; or which, at the time our disclosure, had become a part of the public domain, through no fault of yours; or which, after our disclosure, becomes a part of the public domain through no fault of yours. All proprietary information will be deemed confidential even if there is no designation of CONFIDENTIAL appearing on that document and/or equipment, etc. (Section 8.2, page 12)

All of your employees having access to the confidential and proprietary information, agreements and other of our proprietary information shall be required to execute confidentiality agreements containing confidential information provisions in a form acceptable to us. (Section 8.3, pages 12-13)

You must promptly notify us if you become aware of any unauthorized use of confidential information or any challenge to our use of confidential information. Upon notice of any unauthorized use or challenge, we will have sole discretion as to whether or not to take action and the type of action to take. We have no obligation to defend you with respect to any legal action or claim concerning use of confidential information.

There are no infringing uses or superior prior rights known to us, which would materially affect your use of proprietary and/or copyrighted materials.

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

The Franchised Business is to be under your direct on-premises supervision or that of a trained and competent employee acting as full-time manager at all times. If you operate more than one Franchised Business, or if you do not devote full time to the management and operation of the Business, you must designate a full-time manager. You must notify us of the identity of any manager(s). We will provide training to this manager at the then-current published rates. You will, at all times, faithfully, honestly and diligently perform these obligations and will not engage in any business or other activities that will cause any conflict. (Section 13.5, page 21)

You must utilize your best efforts to promote and increase the sales and service of the System and the franchised products and to effect the widest and best possible promotion and service or distribution, name recognition and placement throughout the Designated Area, and solicit all potential customers for our products. You will seek and develop your client base from within the Designated Area. Your failure to devote your best efforts to adequately represent the Marks and the System in your Designated Area through your promotion and service efforts, such failure resulting in a materially adverse effect on the Marks and the System, shall be deemed to be just cause for termination. (Section 13.29, page 26)

You or your designated manager, if applicable, must attend and successfully complete the initial training program to be held at your facility, our affiliate facility in Omaha, Nebraska, or any other designated location. (Section 5.1, page 8)

Your designated manager must sign an employment contract as approved by us to maintain confidentiality of the trade secrets described in Item 14 and to conform with the covenants not to compete described in Item 17 of this disclosure document.

15. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You will offer for sale and sell such services and products, which we, from time to time, authorize for Franchisees. You shall not, without our prior written approval, offer any other services and products nor use the premises for any purpose other than the operation of a Franchised Business in compliance with the terms of the Franchise Agreement and Confidential Operating Manual and in Items 8 and 9 of this disclosure document. (Section 13.11, page 23)

You must use the location of the Franchised Business solely for the purpose of conducting a Franchised Business, i.e., a family restaurant. (Section 13.10, page 23)

You may install or maintain on the premises of the Franchised Business video games, gum machines, other family-oriented game machines, vending machines or other similar devices. However, we must approve, in writing, the specifications of each machine. No other machines, vending machines, newspaper racks, etc. may be installed or maintained on the premises. (Section 13.31, page 26)

You are not limited in the customers to whom you may sell products or services.

16. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	***Section in Franchise Agreement***	***Summary***
a. Length of the franchise term	Section 2.1	10-year term
b. Renewal or extension of the term	Section 2.2	Two additional terms of 5 years each, if you are in good standing.
c. Requirements for you to renew or extend	Sections 2.2-2.3	Give notice, maintain possession, comply with Agreement, current specifications and standards, pay all fees, sign new agreement, meet qualification and training requirements, sign release

Provision	***Section in Franchise Agreement***	***Summary***
d. Termination by you	Sections 3.5, 17.4	You can terminate if no acceptable site is found within 6 months, or we fail to cure a breach after receiving note from you.
e. Termination by us without cause	Not applicable	Not applicable.
f. Termination by us with cause	Sections 3.5, 5.6, 13.2, 17.2-17.3.	We can terminate only if no acceptable site is found within three (3) months (6 months with an approved extension), if you fail to complete training or if by contractual default.
g. "Cause" defined-curable defaults	Sections 13.2, 17.3	You have 15 days to cure breach of nonpayment of fees. You have 15 days to cure breach of mandatory specifications, standards, or operating procedures prescribed by the Confidential Operating Manual, repairs and appearance of premises and any other provision of the Franchise Agreement.
h. "Cause defined" – non-curable defaults	Section 17.2	Non-curable defaults: failure to decorate and equip premises as prescribed, misrepresentation in application for franchise, conviction of felony, misuse of trademark; disclosure of Confidential Operating Manual, trade secrets and confidential information; abandonment, unapproved transfers, insolvency, understatement or no submission of reports, violation of health and safety laws, and sanitation problems.
i. Your obligations on termination/nonrenewal	Section XVIII	Obligations include return of all materials related to the operation of the franchise, not representing yourself as present or former franchisee, assignment and transfer of interest and telephone numbers, payment of amounts due, cease operation of facility, cease using any methods, procedures and techniques associated with the System and any items that display the trademark, assign any

Provision	***Section in Franchise Agreement***	***Summary***
		assumed name rights or registration with our name or trademark, complete de-identification. (also see r, below)
j. Assignment of contract by us	Section 19.1	No restriction on our right to assign.
k. "Transfer" by you-defined	Section 19.2.	Includes transfer of contract or assets or ownership change.
l. Our approval of transfer by you	Section 19.2-19.3.	We have the right to approve all transfers, but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	Section 19.3.	We receive 90 days notice; new franchisee qualifies, successfully completes training, transfer fee paid, assignment signed by you, current agreement signed by new franchisee, payment of all fees prior to assignment, and information pertaining to sale of franchise is kept confidential.
n. Our right of first refusal to acquire your business	Section XXI	We have 15 days to match any offer for franchisee's business.
o. Our option to purchase your business	Sections XXI, 18.9	We have 30 days to purchase any equipment, supplies, inventory, advertising materials or other items with the trademark at your cost or fair market value.
p. Your death or disability	Sections 19.6, XX	Franchise must be assigned by estate to approved buyer in 180 days. We may operate franchise for a maximum of 90 days and monies received, expenses and compensation ($200 per day) will be kept in separate account.
q. Non-competition covenants during the term of the franchise	Sections 16.2-16.3, 16.5	Will not divert any business or customer of the franchise to any competitor or harm the goodwill associated with the trademarks and the System, will not employ any person already employed by us or our franchisees, will not be involved in competing business anywhere in U.S., and will not divulge any information obtained pertaining to the franchise.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Sections 16.4-16.5	No competing business for 2 years within 10 miles of another Franchised Business (including after assignment) and will not divulge any information obtained pertaining to the franchise.
s. Modification of the agreement	Sections IX, XXVI	Modifications must be signed by both parties, we may also modify the System and Confidential Operating Manual.
t. Integration/merger clause	Section XXVI.	Only the terms contained in this disclosure document and/or in the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	Section XXIX.	Except for certain claims, all disputes must be arbitrated in Nebraska
v. Choice of forum	Section 28.2, 29.2	Litigation must be in Douglas County, Nebraska.
w. Choice of law	Section 28.1	Nebraska law applies, except to the extent governed by the Lanham (Trademark) Act of 1946.

17. PUBLIC FIGURES

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

18. 18. 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.

During fiscal year 2023, we had 7 outlets in operation the entire year. Average gross sales for the 7 outlets was $877,488 in fiscal year 2023, with 1 outlet (14% of the total) exceeding the average gross sales. Average gross sales for the top three outlets during fiscal year 2023 was $1,128,631.

20. OUTLETS AND FRANCHISEE INFORMATION

Systemwide Outlet Summary
For years 2019-2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	7	7	0
	2022	7	6	-1
	2023	6	5	-1
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	8	8	0
	2022	7	7	0
	2023	7	6	-1

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019-2021

State	Year	Number of Transfers
Texas	2021	0
	2022	0
	2023	0
Kansas	2021	0
	2022	0
	2023	0
Nebraska	2021	0
	2022	0
	2023	0
Colorado	2021	0
	2022	0
	2023	0

Status of Franchised Outlets
For years 2020-2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Rene wals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Montana	2021	1	0	0	0	0	0	1
	2022	0	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Nebraska	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	8	1	0	0	0	0	8
	2022	8	1	0	0	0	1	7
	2023	7	0	0	0	0	1	6

Status of Company-Owned Outlets
For years 2019-2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Nebraska	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

Projected Openings As Of January, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Colorado	0	1	0
Iowa	0	0	0
Kansas	0	1	0
Nebraska	0	0	0
Texas	0	1	0
Total	0	3	0

For a list of current franchisees, see Exhibit F to this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. For a list of franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date, see Exhibit F to this disclosure document.

Within the last three fiscal years, no current or former franchisee has signed a confidentiality agreement restricting their ability to speak with you about their experience with us.

There are no trademark-specific franchisee organizations associated with this franchise currently in existence.

21. FINANCIAL STATEMENTS

Attached as Exhibit G are our balance sheets as of December 31, 2023.

22. CONTRACTS

The Franchise Agreement and Confidentiality Agreement used in connection with this offering are attached to this disclosure document as Exhibit A and Exhibit B, respectively.

There are no other contracts or agreements provided by us to be signed by you.

23. 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 MoniPaigey, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If MoniPaigey, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state administrator listed in Exhibit D.

The sales agents for this offering is Michael Nolan, MoniPaigey, LLC, 2929 North 204th Street, Omaha, Nebraska 68022, Suite 111, (833) 879-4506. The date of issue of this disclosure document is January 1, 2024.

I received a disclosure document dated January 1, 2024, that included the following Exhibits:

A. Franchise Agreement
B. Confidentiality Agreement
C. Table of Contents, Confidential Operating Manual
D. List of State Authorities
E. Agents for Service of Process
F. List of Franchisees
G. Financial Statements

Dated:_________________ By:_______________________________________

Printed Name:_______________________________

Title:_____________________________________

Name of Company:___________________________

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Dated:_________________ By:____

Printed Name:_________________________________

Title:____

Name of Company:_____________________________

EXHIBIT A

MONIPAIGEY, LLC.

DBA

SAM & LOUIE'S®

FRANCHISE AGREEMENT

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EXHIBITS

MONIPAIGEY, LLC.
FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement"), made this ____ day of ________, 20___, by and between MoniPaigey, LLC., a Nebraska corporation formed and operating under the laws of the State of Nebraska, and having its principal place of business at 2929 North 204th St., Suite 111, Elkhorn, NE 68022, (hereinafter referred to as "Franchisor"), and ______________________________, a _________________________ (hereinafter referred to as "Franchisee").

WITNESSETH:

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort and money, (a) has developed and owns a unique system (hereinafter "Sam & Louie's®"), identified by the Mark and common-law intellectual property rights relating to the establishment, development and operation of facilities specializing in the production and retail sales of pizza, calzones, strombolies, hoagies, lasagna, other pastries and related items; and, (b) has developed proprietary systems for the production of products including equipment use and layout, ingredients and recipes, product specifications and management of labor; and, (c) has developed specifications and standards, special packaging and marketing techniques, all of which may be changed, improved or further developed by Franchisor from time to time, and has developed substantial consumer acceptance and demand for the product lines; and

WHEREAS, Franchisor has the right to license others to use the trade name, service marks and trademark SAM & LOUIE'S®, associated logos and commercial symbols, and such other trade names, service marks and trademarks as are now designated, and may hereinafter be designated, by Franchisor in writing as part of the System (hereinafter referred to as "Marks"), and Franchisor continues, and shall continue, to develop, use and control such Marks for its own use and benefit, and for that of its franchisees, in order to identify for the public the source of the services marketed thereunder and to represent the System's high standards of operations, quality, appearance and service; and

WHEREAS, the distinguishing characteristics of the Sam & Louie's® System include, without limitation, distinctive interior design of a retail facility, decor, layout, furnishings and color scheme, exclusively designed signage, decorations, materials, production and other operating methods, retail procedures and methods, merchandising, inventory and cost controls, record keeping and reporting, personnel management and training, purchasing, marketing, sales promotion, advertising and the Confidential Operating Manual (hereinafter collectively referred to as "Trade Secrets"), all of which may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor has established operating production facilities defined as "Franchised Facility," which means a complete Sam & Louie's® facility capable of and equipped to manufacture and retail Sam & Louie's® products as authorized and approved from time to time by Franchisor and to use Franchisor's System and Marks;

WHEREAS, Franchisor has the right to license others to use the Mark, common-law intellectual property rights, Trade Secrets and such other trade names, service marks and trademarks as are now designated, and may hereinafter be designated by Franchisor, in writing, as part of the Sam & Louie’s® System (hereinafter referred to as "Mark[s]"), and Franchisor continues to develop, use and control such Marks for the benefit and use of itself and its Franchisee in order to identify for the public the source of products marketed thereunder and to represent the Sam & Louie’s® System's high standards of operations, quality, products, appearance and service; and

WHEREAS, Franchisor continues to work for the development of the Sam & Louie’s® System, using and controlling such Marks for its own benefit and any and all franchisees, in order to identify to the public the source of pizza, calzones, strombolies, hoagies, lasagna, and related products marketed under the Marks, as well as to represent the Sam & Louie’s® System's high standards of operations and its quality, appearance and service; and

WHEREAS, Franchisee desires to operate a Sam & Louie’s® “Franchised Facility” under Franchisor's System (hereinafter sometimes referred to as "Franchise") within the Designated Area as designated hereinbelow and desires to use and obtain benefits from the unique Sam & Louie’s® System and the right to do business under the trademark Sam & Louie’s® and wish to obtain the right to purchase a license from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, production and retailing and the necessity of operating the Sam & Louie’s® Franchised Facility in conformity with Franchisor's standards and specifications; and

WHEREAS, Franchisor expressly disclaims the making of, and Franchisee acknowledges that he has not received or relied upon, any warranty or guarantee, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. Franchisee acknowledges that he has read this Agreement and the Franchisor's Uniform Franchise Offering Circular and that he has no knowledge of any representation by Franchisor, or its officers, directors, shareholders, employees or agents that are contrary to the statements made in the Franchisor's Uniform Franchise Offering Circular or to the terms herein.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party, hereby agree as follows:

I. APPOINTMENT AND FRANCHISE FEE

1.1 Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right, franchise and privilege to use the Mark Sam & Louie’s® and other common-law logos, Marks, designs and copyrights of Franchisor, and Franchisee undertakes the obligation to operate a Sam & Louie’s® “Franchised Facility” specializing only in the production and retail sales of pizza, calzones, strombolies, hoagies, lasagna, and related items bearing the mark Sam & Louie’s® (hereinafter sometimes referred to as "Franchised Facility" or “Franchise”), and to use solely in connection therewith Franchisor's System as it may be changed, improved and further developed from time to time, at the location commonly known as ____. Franchisor neither implies nor guarantees the right to any other area or location than stated above.

1.2 Franchisee shall not relocate its facility without the prior written approval of Franchisor, which approval shall not be unreasonably withheld.

1.3 In consideration of the franchise granted herein, Franchisee shall pay to Franchisor, upon execution of this Agreement, the sum of Twenty-Five Thousand Dollars ($25,000.00) for a single-unit franchise. Said fee shall be deemed fully earned and non-refundable 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.

1.4 Franchisee at all times agrees to use its best efforts to promote and increase the sales and service of the Sam & Louie’s® System and its products and to effect the widest and best possible promotion and to all potential customers for approved products of the system. Failure of Franchisee to adequately represent the Marks and the Sam & Louie’s® System its promotion and service efforts shall be deemed to be just cause for termination.

II. TERM AND RENEWAL

2.1 This Agreement shall be effective and binding from the date of its execution for an initial term equal to ten (10) years from the date of this Agreement.

2.2 Franchisee shall have the right, with no obligation to pay an additional payment to renew this Franchise at the expiration of the initial term of the Franchise for two (2) additional successive terms of five (5) years each, and provided that all of the following conditions have been fulfilled:

(1) Franchisee has, during the entire term of this Agreement, substantially complied with all its provisions;

(2) Franchisee maintains possession of the Franchised Facility and, by the expiration date of this Agreement, has brought the Franchised Facility into full compliance with the specifications and standards then applicable for new or renewing Sam & Louie's® Franchised Facilities and presents evidence satisfactory to Franchisor that he has the right to remain in possession of the Franchised Facility premises for the duration of any renewal term; or, in the event Franchisee is unable to maintain possession of the premises, or in the judgment of Franchisee and Franchisor the Franchised Facility should be relocated, and Franchisee has secured substitute premises approved by Franchisor and has furnished, stocked and equipped such premises to bring the Franchised Facility at its substitute premises into full compliance with the then-current specifications and standards by the expiration date of this Agreement;

(3) Franchisee has given notice of renewal to Franchisor as provided below;

(4) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates hereunder, and has timely met these obligations throughout the term of this Agreement;

(5) Franchisee has executed, upon renewal, Franchisor's then-current form of the Franchise Agreement (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), 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 percentage of Continuing Royalty and advertising contribution; provided that Franchisee shall not be required to pay the then-current initial franchise fee or its equivalent;

(6) Franchisee has complied with Franchisor's then-current qualification and training requirement; and

(7) Franchisee has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents, shareholders and employees.

2.3 If Franchisee desires to renew this Franchise at the expiration of this Agreement, Franchisee shall give Franchisor written notice of its desire to renew at least six (6) months, but not more than twelve (12) months, prior to the expiration of the initial term of this Agreement. Within ninety (90) days after its receipt of such timely notice, Franchisor shall furnish Franchisee with written notice of: (i) reasons which could cause Franchisor not to renew, including any deficiencies which require correction and a schedule for correction thereof by Franchisee; and (ii) Franchisor's then-current requirements relating to the image, appearance, decoration, furnishing, Trade Dress, equipping and stocking of Sam & Louie's® facilities, and a schedule for effecting such upgrading or modifications in order to bring the Franchised Facility in compliance therewith, as a condition of renewal. Renewal of the franchise shall be conditioned upon Franchisee compliance with such requirements and continued compliance with all the terms and conditions of this Agreement, up to the date of renewal; provided, however, that in the event Franchisee is curing any deficiencies as required by Franchisor, the term of this Agreement shall be extended for a period of time equal to the number of calendar days required to cure such deficiency as established by Franchisor.

2.4 If Franchisor elects nonrenewal, it shall give Franchisee written notice of Franchisee's failure to satisfy one or more of the conditions set forth in Paragraph 2.2 hereof, at least one (1) month prior to the expiration of the initial term of this Agreement or any renewal term.

III. FACILITY, LOCATION AND COMMUNICATION

3.1 Location of Franchised Facility

Franchisee may operate the Franchised Facility only at the location specified in Section I hereof. If the lease for the site of the Franchised Facility expires or terminates without fault of Franchisee, or if the site is destroyed, condemned or otherwise rendered unusable, or if in the judgment of Franchisor there is a change in character of the location of the Franchised Facility sufficiently detrimental to its business potential to warrant its relocation, Franchisor will grant permission for relocation of the Franchised Facility to a location and site reasonably acceptable to Franchisor. Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee for any costs incurred by Franchisor, and a reasonable fee for its services, in connection with any such relocation of the Franchised Facility.

3.2 Site Approval

Franchisee will be responsible for purchasing or leasing a suitable site for the Franchised Facility. Prior to the acquisition by lease or purchase of any site for the premises of the Franchised Facility, Franchisee shall submit a description of the proposed site to Franchisor, together with a letter of intent or other evidence satisfactory to Franchisor, which confirms Franchisee's favorable prospects for obtaining the proposed site. Franchisor shall provide Franchisee written notice of approval or disapproval of the proposed site within fifteen (15) business days after receiving Franchisee's written proposal.

3.3 Facility Lease

After receiving Franchisor's written approval of the location of the Franchised Facility as provided in Paragraph 3.2 above, Franchisee shall execute a lease (if the premises are to be leased) or a binding agreement to purchase the site, the terms of which have been previously approved by Franchisor. Franchisor's approval of the lease shall be conditioned upon inclusion in the lease of terms acceptable to Franchisor and, at Franchisor's option, shall contain such provisions as Franchisor may reasonably require, including, but not limited to:

(1) A provision reserving to Franchisor the right, at Franchisor's election, to receive

an assignment of the leasehold interest upon termination or expiration of the franchise grant;

(2) A provision which expressly permits the lessor of the premises to provide the Franchisor all sales and other information it may have related to the operation of the Franchised Facility, as Franchisor may request;

(3) A provision which requires the lessor concurrently to provide Franchisor with a copy of any written notice of deficiency under the lease sent to Franchisee and which grants to Franchisor, in its sole discretion, the right (but not obligation) to cure any deficiency under the lease, should Franchisees fail to do so within fifteen (15) business days after the expiration of the period in which Franchisee may cure the default; and

(4) A provision which evidences the right of Franchisee to display the Proprietary Marks in accordance with the specifications required by the Confidential Operating Manual, subject only to the provisions of applicable law.

3.4 Site Assistance

If the franchise location is not designated in Paragraph 1.1, Franchisor agrees to use reasonable efforts to help analyze Franchisee's market area, to help determine site feasibility, and to assist in the designation of the franchise location, which must be approved by Franchisor. While Franchisor agrees to utilize its experience and expertise in a designation of location, nothing contained herein shall be interpreted as a guarantee of success for said location nor shall any site recommendation or approval made by Franchisor be deemed a representation that any particular site is available for use as a Sam & Louie's®. It shall be the sole responsibility of Franchisee to undertake site selection activities and otherwise secure premises for Franchisee's Franchised Facility.

3.5 Site Selection Term and Default

In the event no acceptable operating site is found and approved by the parties within six (6) months from the date of this Agreement, or at the end of one (1) six (6) month extension, which Franchisee may request and Franchisor will allow with reasonable cause, if such request is submitted to Franchisor in writing at least five (5) business days prior to the end of the original six (6) month period, then, upon written application from either party, this contract shall be terminated.

3.6 Facility Completion

Franchisee agrees that promptly after obtaining possession of the site for the Franchised Facility, Franchisee will: (i) cause to be prepared and submit for approval by Franchisor a site survey and any modifications to Franchisor's basic architectural plans and specifications for a Sam & Louie's® Franchised Facility (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, production equipment layout, fixtures, furniture, signs and decorating) required for the development of such a facility at the site leased or purchased therefor, provided that Franchisee may modify Franchisor's basic plans and specifications only to the extent required to comply with all applicable ordinances, building codes and permit requirements and with prior notification to and approval by Franchisor; (ii) obtain all required zoning changes and approvals; all required building, utility, health, sanitation, and sign permits and licenses, and any other required permits and licenses; (iii) purchase or lease equipment, fixtures, furniture and signs as provided herein; (iv) complete the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the Franchised Facility in full and strict compliance with plans and specifications therefor approved by Franchisor and all applicable ordinances, building codes and permit requirements; (v) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; and (vi) otherwise complete development of and have the Franchised Facility ready to open and commence business in accordance with Paragraph 14.2 hereof.

3.7 Facility Renovation

Franchisee may be required periodically to make reasonable capital expenditures to remodel, modernize and/or redecorate the premises of the Franchised Facility so that the Franchised Facility will reflect the then-current image intended to be portrayed by Sam & Louie's® facilities and be current in equipment and production design and flow. All remodeling, modernization, production redesign, equipment changes and/or redecoration of the premises of the Franchised Facility must be done in accordance with the standards and specifications as prescribed by the Franchisor from time to time and with the prior written approval of Franchisor. All replacements of equipment, furnishings and decor must conform to Franchisor's then-current quality standards and specifications and must be approved by Franchisor in writing. Franchisee shall not be required to remodel, modernize, redesign and/or redecorate the Franchised Facility more than once during the original term of this Agreement and at intervals of not less than five (5) years. Franchisee shall not be required to expend more than Twenty Five Thousand Dollars ($25,000.00) for any such instance of remodeling, modernization, redesign and/or redecoration.

3.8 Limitations of Operation

Franchisee shall operate the Franchised Facility only at the location specified in Paragraph 1.1 herein, and only as a production facility and retail sales outlet, serving walk-in customers, and off premises catering.

IV. EQUIPMENT, FIXTURES, FURNITURE AND SIGNS

4.1 Franchisee shall use only such materials, fixtures, furnishings, signs, and equipment as specified in the Sam & Louie's® "Approved Equipment and Furnishings List" which shall be provided to Franchisee and list the type, specifications, and manufacturer of all items approved for the Sam & Louie's® System. Franchisor may revise the **Approved Equipment, Furnishings, and Signs List** from time to time in its sole discretion. Franchisee may purchase all such items from Franchisor's currently approved supplier, or from any supplier offering the exact item(s) under more favorable terms or conditions to Franchisee, providing that the supplier meets the Franchisor's requirements for approved suppliers by demonstration or verification of reliability, ability to meet the Franchisor's requirements of quality and service, are of sound financial condition and business reputation, and are approved by Franchisor and not later disapproved. Franchisee must provide Franchisor with a complete equipment purchase list for Franchisor's approval prior to purchasing and installing any item in the Franchised Facility. If Franchisee proposes to purchase or lease any item of equipment or furniture or any fixture, sign or decorating material not theretofore approved by Franchisor as meeting its specifications, he shall first notify Franchisor and Franchisor may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether such item of equipment or furniture or such fixtures, signs or decorating materials meets its specifications. Franchisor shall advise Franchisee within a reasonable time whether such item of equipment or furniture or such fixture, sign or decorating material meets its specifications.

4.2 Subject to compliance with applicable laws and regulations, Franchisee shall acquire all signs as required by Franchisor for use at or in connection with the Franchised Facility. All signs must meet the exact criteria designated by Franchisor.

V. TRAINING AND ASSISTANCE

5.1 Franchisee acknowledges the importance of quality of products and business operations among all Sam & Louie's® facilities in the Franchisor's System and agrees to enroll its managers, present and future, in such training sessions as may be designated by Franchisor from time to time. Franchisor shall make training available to Franchisee and to Franchisee's designated manager, if applicable, and to one (1) production employee. Franchisee, if designated as full-time manager, must successfully complete the "Operators Training Course" to the Franchisor's satisfaction including, but not limited to, demonstrating the ability to produce and finish all products independently and achieve a minimum grade of 85% on all final written exams. Franchisee may enroll a full-time manager approved by Franchisor to complete the "Operators Training Course" in addition to or in place of Franchisee. If Franchisee elects to enroll a full-time manager to complete the "Operators Training Course" in place of Franchisee, then Franchisee must complete the abbreviated "Owner's Review Course" as a minimum requirement. Franchisee must also enroll a minimum of one (1) production employee to complete the "Production Training Course."

5.2 The "Operators Training Course" shall cover all material aspects of the operation of a Sam & Louie's® Franchised Facility, including financial controls, general bookkeeping procedures, front counter and customer sales and service techniques, pizza and specialty item preparation and production methods and techniques, sanitation and maintenance, marketing and advertising techniques, deployment of labor, hiring and training procedures, cash register and computer operation, public relations and the maintenance of quality standards. The abbreviated "Owner's Review Course" shall cover all aspects of the "Operators Training Course," but contains more of an overview of production techniques. The "Production Training Course" covers only the aspects of production methods and techniques, sanitation and maintenance, and deployment of production labor. The training program(s) must be successfully completed prior to opening the Franchised Facility for business. The duration of said training program(s) will depend upon the Trainee's experience, aptitude and progress. The "Operators Training Course" will range from ten (10) to 15 (15) days in length or until trainee is fully competent, in Franchisor's sole discretion, to operate an independent Franchised Facility. The abbreviated "Owner's Review Course" will range from seven (7) to ten (10) days, and the "Production Training Course" will range from ten (10) to fifteen (15) days. The training program(s) shall be held at Franchisor's headquarters or any other authorized training facility as designated by Franchisor.

5.3 Franchisor shall bear the cost of the training sessions, including the overhead costs of training, training staff, salaries of Franchisor's personnel, materials and training tools and required Franchisor travel expenses. All expenses incurred by Franchisee and its employees in attending such program(s), including, without limitation, travel, room and board expense, compensation and other expenses, shall be the sole responsibility of Franchisee.

5.4 For a minimum of ten (10) business days during the first month of operation of Franchisee's Franchised Facility, Franchisor will furnish to Franchisee, at Franchisee's premises and at Franchisor's expense, one of Franchisor's representatives for the purpose of facilitating the opening of Franchisee's Franchised Facility. During this period, such representative will also assist Franchisee in establishing and standardizing procedures and techniques essential to the operation of a Sam & Louie's® facility and shall assist in training personnel. Should Franchisee request additional assistance from Franchisor in order to facilitate the opening of the Franchised Facility, and should Franchisor deem it necessary and appropriate, Franchisee shall reimburse Franchisor for the expense of Franchisor providing such additional assistance.

5.5 Each of Franchisee's employees shall complete a training program at the Franchised Facility as prescribed in the Confidential Operating Manual.

5.6 If the Franchisor determines in its reasonable discretion that Franchisee or Franchisee's Designated Manager 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 the Franchise Fees paid by Franchisee to Franchisor minus the expenses incurred by Franchisor as of such date for providing training to Franchisee and other expenses incurred by Franchisor. Upon return of said amount, the Franchisor shall be fully and forever released from any claims or causes of action Franchisee may have under or pursuant to the Franchise Agreement and Franchisee shall have no further right, title or interest in the mark Sam & Louie's® or any other mark.

5.7 Franchisor from time to time may provide and may require that previously trained and experienced franchisees, or its managers or employees, attend and successfully complete refresher training programs or seminars and at Franchisee's expense; provided, however, that attendance will not be required at more than two (2) such programs in any calendar year and which shall not collectively exceed six (6) business days in duration (excluding travel) during any calendar year.

VI. PROPRIETARY MARKS

6.1 Franchisee acknowledges that Franchisor is the owner of the registered trademark, Sam & Louie's®, and other common-law Marks, logos, slogans, trade dress, store décor, furnishings, and designs, and Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor from time to time during the term of the Franchise. Any unauthorized use of the marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee acknowledges and agrees that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor and that this Agreement does not confer any goodwill or other interest in the Marks upon Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks, and commercial symbols authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

6.2 Franchisee shall not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may Franchisee use any Mark in connection with the sale of any unauthorized product or service in any other manner not expressly authorized in writing by Franchisor. Franchisee agrees to give such notices of trademark and service mark registrations, as Franchisor specifies, and to obtain such fictitious or assumed name registrations as may be required under applicable law. Franchisee shall not use any of the Marks in any manner which has not been specified or approved by Franchisor.

6.3 Franchisee shall promptly notify Franchisor of any claim, demand, or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Franchisee also agrees to notify Franchisor of any action, claim or demand against Franchisee relating to the Marks and Franchisor shall have the sole right to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in its sole discretion. In any defense or prosecution of any litigation relating to the Marks or components of the Sam & Louie's® System undertaken by Franchisor, Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. Both parties will make every effort consistent with the foregoing to protect, maintain, and promote the name Sam & Louie's® and its distinguishing characteristics (and the other service marks, trademarks, slogans, etc., associated with the Sam & Louie's® System) as standing for the System and only the System. Franchisor warrants that it has exclusive rights in the Sam & Louie's® System, trade names, trademarks, and service marks licensed hereunder.

6.4 If it becomes advisable at any time in the Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks, or other commercial symbols, Franchisee agrees to comply with Franchisor's directions immediately upon notice to Franchisee by Franchisor, and Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Mark.

6.5 In order to preserve the validity and integrity of the Marks and copyrighted materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Franchised Facility, Franchisor or its agents shall have the right of entry and inspection of Franchisee's premises at all reasonable times and, additionally, shall have the right to observe the manner in which Franchisee is rendering its services and conducting its operations, to confer with Franchisee's employees and customers, and to select random products, ingredients, raw materials and other items, materials and supplies for test of content and evaluation purposes to make certain that the services, products for sale, materials, equipment and operations are satisfactory and meet the quality control provisions and performance standards established by Franchisor.

VII. CONFIDENTIAL OPERATING MANUAL

7.1 In order to protect the reputation and goodwill of the businesses operating under the Sam & Louie's® System and to maintain standards of operation under the Licensed Marks, Franchisee shall conduct the Franchised Business operated under the Sam & Louie's® System in accordance with various written instructions and confidential manuals, including, but not limited to, the Operating Manual, Construction Notebook, Advertising Supplies File, and other manuals (hereinafter collectively and previously referred to as the "Confidential Operating Manual") as may be introduced into the System from time to time by Franchisor, including such amendments thereto, as Franchisor may publish from time to time, all of which Franchisee acknowledges belong solely to Franchisor and shall be on loan from Franchisor during the term of this Agreement. When any provision in this Agreement requires that Franchisee comply with any standard, specification or requirement of Franchisor, unless otherwise indicated, such standard, specification or requirement shall be such as is set forth in this Agreement or set forth in the Confidential Operating Manual.

7.2 Franchisee shall at all times use its best efforts to keep the Confidential Operating Manual and any other manuals, materials, goods and information created or used by Franchisor and designated for confidential use, within the Sam & Louie's® System and the information contained therein as confidential and shall limit access to employees of Franchisee on a need-to-know basis. Franchisee acknowledges that the unauthorized use or disclosure of Franchisor's confidential information or trade secrets will cause irreparable injury to Franchisor and that damages are not an adequate remedy. Franchisee accordingly covenants that it shall not at any time, without Franchisor's prior written consent, disclose, permit the use thereof (except as may be required by applicable law or authorized by this Agreement), copy, duplicate, record, transfer, transmit or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not known about the Sam & Louie's® System and Franchisor's products, services, standards, procedures, techniques and such other information or material as Franchisor may designate as confidential shall be deemed confidential for purposes of this Agreement.

7.3 Franchisee understands and acknowledges that Franchisor may, from time to time, revise the contents of the Confidential Operating Manual to update or implement new or different requirements for the operation of the Franchised Business, and Franchisee expressly agrees to comply with all such changed requirements which are by their terms mandatory; provided that such requirements shall also be applied in a reasonably nondiscriminatory manner to comparable businesses operated under the Sam & Louie's® System by other Franchisees and do not change or alter the Franchisee's fundamental rights or basis under this Agreement.

7.4 Franchisee shall at all times ensure that its copy of the Confidential Operating Manual is kept current and up to date. In the event of any dispute as to the contents thereof, the terms and dates of the master copy thereof maintained by Franchisor at its principal place of business shall be controlling.

VIII. CONFIDENTIAL INFORMATION

8.1 Franchisee acknowledges that its entire knowledge of the operation of a Sam & Louie's® Franchised Facility, including, without limitation, production procedures, recipes, specifications, standards and retail operating procedures of a Sam & Louie's® Franchised Facility, is derived from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential and a trade secret of Franchisor. Franchisee agrees that it will maintain the absolute confidentiality of all such proprietary information during and after the term of the Franchise and that it will not use, or permit to be used, any such information in any other business or in any manner not specifically authorized or approved in writing by the Franchisor.

8.2 Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Facility. Any and all information, knowledge and know-how, including, without limitation, drawings, materials, equipment, techniques, operating systems, customer lists, diagrams, production procedures, and other data that Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain through publication or communication by others.

8.3 Due to the special and unique nature of the confidential information, proprietary marks, and Confidential Operating Manual of Franchisor, Franchisee hereby agrees and acknowledges that Franchisor shall be entitled to immediate equitable remedies, including but not limited to, restraining orders and injunctive relief in order to safeguard such proprietary, confidential, unique, and special information of Franchisor and that money damages alone would be an insufficient remedy with which to compensate Franchisor for any breach of the terms of Section VII., VIII. and IX. of this Agreement. Furthermore, Franchisee agrees that all employees of Franchisee having access to the confidential and proprietary information agreements or other proprietary information of Franchisor shall be required to execute employment contracts containing confidential information provisions in the form acceptable to Franchisor.

IX. MODIFICATION OF THE SYSTEM

9.1 Franchisee recognizes and agrees that, from time to time hereafter, Franchisor may change or modify the Sam & Louie's® System presently identified by the mark, Sam & Louie's®, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new inventory items, new products, new equipment or new production techniques and that Franchisee will accept, use and display for the purpose of this Agreement any such changes in the Sam & Louie's® 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 Sam & Louie's® System may reasonably require.

9.2 Franchisee recognizes and agrees that Franchisor may further modify the Sam & Louie's® System by the introduction of new methods and techniques of sales and distribution, new methods and techniques of customer service or other operating procedures, and the Franchisee will accept and adopt such methods and techniques as if they were part of this Agreement at the time of execution hereof.

9.3 Franchisee recognizes and agrees that Franchisor may modify the Sam & Louie's® System by the introduction of additional license rights or co-branding as a means to expand, improve or modify the product line or service techniques of the Sam & Louie's® System. Franchisee will accept and utilize such new and additional licenses or co-brands as if they were incorporated within the grant of this Franchise Agreement.

9.4 Franchisee shall not change, modify or alter in any way the Sam & Louie's® System.

X. 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 Sam & Louie's® facilities, Franchisee agrees as follows:

10.1 General

Franchisee will submit to Franchisor, or its designated agency, for its prior approval, all promotional materials and advertising to be used by Franchisee, including, but not limited to, newspaper, radio and television advertising, direct mail, specialty and novelty items, signs, point of sale displays and other promotional materials. In the event written disapproval of said advertising and promotional materials is not given by Franchisor to Franchisee within ten (10) days from the date such materials are received by Franchisor, said materials shall be deemed approved. Failure by Franchisee to conform with the provisions herein and subsequent nonaction by Franchisor to require Franchisee to cure or remedy this failure and default shall not be deemed a waiver of future or additional failures and defaults of this or any other provision of this Agreement.

10.2 Advertising and Development Fund

Franchisee shall contribute to the Sam & Louie's® Advertising and Development Fund (hereinafter "Fund"), an amount equal to three percent (3%) of Franchisee's gross receipts, as defined in Paragraph 11.1. Franchisee's required payments to the Fund shall be made at the same time and in the same manner as, and in addition to, the Continuing Royalty provided in Paragraph 12.3 herein. Such payments shall be made in addition to and exclusive of any sums that Franchisee may be required to spend on local advertising and promotion. The Franchisor may receive marketing funds from manufacturers and suppliers paid based on the purchases of the Franchised and Corporately owned locations. All marketing funds are paid to the Franchisor.The Fund shall be maintained and administered by Franchisor, or its designee, as follows:

(1) Franchisor shall direct all advertising programs with sole discretion over the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the Sam & Louie's® System and that Franchisor and its designee undertake no obligation in administering the Fund to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

(2) Franchisee agrees that the funds may be used to meet any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns and other public relations activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees in the Sam & Louie's® System). All sums paid by Franchisee to the Fund shall be maintained in a separate account from the other funds of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs including, without limitation, conducting market research,

preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

(3) It is anticipated that all contributions to the Fund shall be expended for advertising and promotional purposes during Franchisor's fiscal year within which contributions are made. If, however, excess amounts remain in the Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of any current interest or other earnings of the Fund, next out of any accumulated earnings, and finally from principal.

(4) Although Franchisor intends the Fund to be of perpetual duration, Franchisor maintains the right to terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been expended for advertising and promotional purposes.

(5) An accounting of the operation of the Fund shall be prepared annually and shall be made available to Franchisee upon request. Franchisor reserves the right, at its option, to require that such annual accounting include an audit of the operation of the Fund prepared by an independent certified public accountant selected by Franchisor and prepared at the expense of the Fund.

10.3 Local Ongoing Requirements

Franchisee shall conduct ongoing advertising and promotional programs. These efforts shall be for the purpose of stimulating sales, generating customer traffic, creating awareness and continuing or enhancing the name recognition of Sam & Louie’s®. This local advertising expenditure is made directly by Franchisee subject to the approval of Franchisor or Franchisor's designated advertising agency. Within fifteen (15) days of the end of each calendar quarter, Franchisee shall provide Franchisor with an accurate accounting of expenditures on local advertising and promotion for the preceding calendar quarter just ended. Franchisee shall be required to expend a minimum of one percent (1%) of Franchisee's gross receipts during each thirteen (13) week period to fund the local advertising and promotional programs.

Franchisor shall have the right to retain the phone number of the Franchised location in the event that said location goes out of business, Franchisees agreement expires, is not renewed or is terminated.

10.4 Use of Marks in Advertising

Franchisee shall not advertise, use in advertising, put into print, use on signs, or any other form of promotional materials, the Mark(s) of Franchisor without the appropriate notice(s), i.e., ® for registered trademarks, and ™ or ℠, for pending or unregistered trademarks. In addition, where appropriate, the copyright notice (©) should be used in the format designated by Franchisor and including the year of publication and Franchisor's name, e.g. ©2017 SAM & LOUIE'S.

10.5 Internet Advertising

Franchisee is not permitted to advertise on the Internet, utilizing Franchisor's trademark as its domain name or address, without Franchisor's prior written consent. There shall be no activity on the Internet that would imply that Franchisee is offering franchises, or that would be adverse to Franchisor's trademark rights or Franchisor's rights within the Sam & Louie's® System.

XI. CONTINUING ROYALTY, ADVERTISING, OTHER PAYMENTS; INTEREST

11.1 General

Franchisee shall pay, without offset, credit or deduction of any nature, to Franchisor, so long as this Agreement shall be in effect, a Continuing Royalty equal to five percent (5%) of the total net receipts, as defined in Paragraph 12.2 derived from the Sam & Louie's® Franchised Facility. Said fee shall be paid weekly in the manner specified below or as otherwise prescribed in the Confidential Operating Manual.

11.2 Gross Receipts

The term "gross receipts," as used herein, shall mean and include the total of all revenues generated from any service provided or any merchandise, products or goods of any and every nature sold to customers of Franchisee, whether or not sold or performed at or from the Sam & Louie's® Franchised Facility, including, but not limited to, off premise catering sales, MRUs, commercial sales, and revenues from any device described in Paragraph 13.31 below, less sales, use or service taxes collected, and paid to the appropriate taxing authority and customer refunds.

11.3 Payment Schedule and Method

Prior to opening of Franchised facility, Franchisee shall provide to Franchisor a voided check payable from an account of Franchisee and such other information as is necessary for the Franchisor to institute an automatic withdrawal program for weekly payment of the Continuing Royalty and required Marketing contributions. At the close of each day the POS System will automatically report the daily sales through a secure network to the central server at Franchisor's headquarters. Thereafter, the Franchisor shall withdraw directly from Franchisee's bank account the Continuing Royalty and required Marketing contributions based on the gross receipts reported by the POS. 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. Unless and until the Franchisee is notified otherwise by the Franchisor, in writing, Commercial State Bank, Elkhorn, Nebraska, shall serve as the Receiving Bank.

11.4 Other Payments

Franchisee shall deliver to Franchisor by person, U.S. mail, or other viable means all payments due to Franchisor for lease payments, co-op advertising, and all other fees and payments due Franchisor or its affiliates as they become due and payable.

11.5 Interest

All Continuing Royalty, advertising contributions, applicable lease payments, amounts due for purchases by Franchisee from Franchisor and its affiliates, and other amounts which Franchisee owes to Franchisor or its affiliates shall bear interest after due date at the highest applicable legal rate for open account business credit, not to exceed one and one-half percent (1½%) per month. Franchisee acknowledges that this Paragraph shall not constitute agreement by Franchisor or its affiliates to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Facility. Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Continuing Royalty, advertising contributions, purchases from Franchisor and its affiliates, interest, or any other indebtedness.

11.6 Default

Further, Franchisee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided in Section XVIII. hereof, notwithstanding the provisions of this Paragraph.

XII. ACCOUNTING AND RECORDS

12.1 Franchisee shall maintain during the term of this Agreement, and shall preserve for the time period specified in the Confidential Operating Manual, full, complete, and accurate books, records, and accounts in accordance with the standard accounting system prescribed by Franchisor in the Confidential Operating Manual or otherwise in writing. Franchisee shall retain, during the term of this Agreement and for three (3) years thereafter, all books and records related to this Franchised Facility, including without limitation, original full and complete register tapes, other records, data, licenses, contracts, product supplier invoices, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursements, journals and general ledgers.

12.2 Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products sold by it, or data of a similar nature as Franchisor may reasonably request for purposes of evaluating or promoting the Franchised Business or the Sam & Louie's® System in general, or for the purposes of enabling Franchisor to develop earnings claims which it may wish or be required to make. All data provided to Franchisor under this Paragraph 12.2 shall belong to Franchisor and may be used and published by Franchisor as needed in connection with the Sam & Louie's® System.

12.3 Franchisee will supply to Franchisor on or before the fifteenth (15th) day of each month, in the form approved by Franchisor, an activity report recapping the type of sales and types of product sold by volume and a profit and loss statement and balance sheet for the last preceding calendar month. Additionally, Franchisee shall, at its expense, submit to Franchisor within ninety (90) days of the end of each fiscal year during the term of this Agreement a profit and loss statement for such fiscal year and a balance sheet as of the last day of such fiscal year, prepared on an accrual basis, including all adjustments necessary for fair presentation of the financial statements. Such financial statements will be certified to be true and correct by Franchisee. Franchisor requires that annual financial statements be prepared in accordance with generally accepted accounting standards, by an independent certified public accountant, at Franchisee's expense.

12.4 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.

12.5 Franchisee shall record gross receipts and all sales information on the electronic cash register approved by Franchisor or on such other types of cash registers as may be designated by Franchisor in the Confidential Operating Manual or otherwise in writing. Franchisee agrees that Franchisor shall have the right to require Franchisee to utilize this or any other computer-based point-of-sale cash register which is fully compatible with any program or system which Franchisor, in its discretion, may employ. Franchisor shall have full access to all of Franchisee's data, system and related information by means of direct access whether in person, by telephone/modem, or by other types of electronic media or systems which may be introduced into the Sam & Louie's® System.

12.6 Franchisor or its designated agents shall have the right at all reasonable times, and upon reasonable notice to Franchisee, to examine and copy, at its expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee at Franchisor's expense. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the maximum rate permitted by law not to exceed one and one-half percent (1 ½%) per month. If an inspection discloses an understatement in any report of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all cost and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). If any two (2) such inspections discloses an understatement in any two reports over any time period, then this Agreement shall automatically terminate with no opportunity to cure. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.7 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 Facility. Further, Franchisee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as herein provided.

XIII. STANDARDS OF QUALITY AND PERFORMANCE

Franchisee shall comply with all requirements set forth in this Agreement, the Confidential Operating Manual, and other written policies supplied to Franchisee by Franchisor. Mandatory specifications, standards, operating procedures and rules prescribed from time to time by Franchisor in the Confidential Operating Manual or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein and shall be reasonably and uniformly applied to all franchisees. All references herein to this Agreement shall include all such mandatory specifications, standards and operating procedures and rules. Franchisee's failure to comply with requirements set forth in this Agreement concerning quality and performance shall constitute a material breach of this Agreement. Franchisee shall comply with the entire Sam & Louie's® System including, but not limited to:

13.1 Before commencing any construction of the Franchised Facility at which the Franchised Business is to operate, Franchisee shall, at its expense, furnish to Franchisor, for its approval, the following:

(1) A copy of any proposed lease agreement which must be approved by Franchisor and which shall provide Franchisor:

a. The right to enter the Premises to make any modification necessary to protect the Licensed Marks and a "Collateral Assignment of Lease" in the form substantially the same as that attached hereto as Exhibit FA-3, executed by Franchisee and the lessor of the Premises, providing Franchisor notice of

Franchisee's default of the lease, a right to cure such default and the right to assume the lease, as well as the further right to sublease or assign to a Sam & Louie's® unit Franchisee (and if Franchisor exercises its rights under the Collateral Assignment of Lease, Franchisor shall have the option to acquire all fixtures, equipment and other leasehold improvements on the Premises at fair market value), or

b. The right to act as prime lessee under the lease and to sub-lease such site to Franchisee.

(2) A proposed site for the operation of the Franchised Facility which shall comply with such site criteria as Franchisor may prescribe from time to time.

(3) All preliminary plans and final plans and specifications (including all changes and modifications), which must be submitted to and approved in writing by Franchisor, but shall be prepared at Franchisee's sole cost. Two sets of final plans with respect to the proposed Franchised Facility must be sent to Franchisor, one of which will be returned to Franchisee stamped "APPROVED AS MEETING SAM & LOUIE'S®, STANDARDS." An identical set must be retained at the job site. Material modifications shall not be made to such plans without Franchisor's prior written consent. Provided, however, this subparagraph 13.1(3) shall not apply to any construction that has previously been approved by Franchisor and commenced prior to the date of this Agreement.

(4) All permits and certifications as may be required for the lawful operation of the Franchised Facility, together with copies of any building inspection reports and certifications from all governmental authorities having jurisdiction over the Premises and the Franchised Facility that all necessary permits have been obtained and that all requirements for construction and operation have been met.

13.2 Franchisee shall complete or arrange for the completion of the construction of the Franchised Facility at the Premises in accordance with the approved site and building plans and, subject to Paragraph 13.3 hereof, open the Franchised Facility to the public not later than the earlier to occur of the following events: (i) the date on which Franchisee's lease of the Premises requires Franchisee to commence its business; or (ii) one hundred eighty (180) days after the Effective Date hereof or as otherwise approved by Franchisor in writing. Franchisee shall secure to Franchisor and its agents the right to inspect the construction at any reasonable time. Franchisee shall correct, upon request and at Franchisee's expense, any deviation from the approved site layout and plan, and shall furnish to Franchisor a copy of the certificate of completion and obtain Franchisor's approval of the completed construction prior to opening all or any part of the Franchised Facility for operation. 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 organized labor dispute, such failure shall be considered a default and Franchisor may terminate this Agreement as herein provided.

13.3 The Franchised Facility shall be open to the public after receipt of authorization to do so by Franchisor acting in good faith.

13.4 Franchisee shall comply with all specifications for brand and type of equipment used in the Franchised Facility as provided in Section V. herein.

13.5 Prior to opening the Franchised Facility to the public, Franchisee or, if applicable, its designated manager and one (1) production employee, shall have been certified by Franchisor as meeting Franchisor's training qualifications at similar Sam & Louie's® units. Franchisee agrees that the Franchised Facility shall only be operated directly by Franchisee or by a trained manager employed by Franchisee who has previously been approved by Franchisor and not thereafter disapproved. Franchisee shall notify Franchisor in writing at least 30 days prior to employing any such manager that a designated manager will operate the Franchised Facility as the full-time, day-to-day party primarily responsible for non-alcoholic operations and setting forth in reasonable detail all pertinent information relative to the individual's character and business background and experience. No such trained manager shall be employed to operate the Franchised Facility (or any part thereof) without Franchisor's prior consent, based upon such standards and requirements as Franchisor may from time to time specify, in writing or otherwise. If Franchisor rejects or later disapproves such trained manager, it shall notify Franchisee of the pertinent reasons therefor. Notwithstanding the right of Franchisor to protect the goodwill of the Sam & Louie's® System by disapproving any manager employed by Franchisee, such manager shall not be deemed an employee of Franchisor for any purpose whatsoever. No part of the Premises shall be leased to or managed (either directly or indirectly) by any party other than Franchisee without Franchisor's prior consent. In connection therewith, Franchisee shall complete, to Franchisor's reasonable satisfaction, any and all training programs as Franchisor may reasonably require. If any trainee fails to complete the required initial training program satisfactorily, Franchisor shall notify Franchisee of such failure and require Franchisee to designate a substitute trainee. If Franchisee fails to designate a substitute trainee, or if the substitute trainee fails to complete such initial training to Franchisor's satisfaction, with the result being that neither Franchisee, nor, if applicable, a manager selected by Franchisee, completes initial training to the satisfaction of Franchisor prior to the time by which the Franchised Facility is required to be open for business in accordance with this Agreement, Franchisor may, at its sole option, elect to terminate this Agreement. Franchisee's Franchised Facility shall at all times continue to be managed by personnel who have met Franchisor's training requirements. Franchisor may, at its option, require others of Franchisee's initial and subsequent management employees to attend and satisfactorily complete all or any part of such training programs. All expenses incurred in training, including, without limitation, cost of travel, room, board and wages of the person(s) receiving such training shall be borne by Franchisee. Franchisee shall also bear the cost of any additional training which may be required by Franchisor. Franchisee agrees that at all times during the term of this Agreement that Franchisee or at least one employee of Franchisee (the "designated manager") will:

(1) Be primarily responsible for the non-alcoholic operations of the Franchised Facility on a full-time, in-person basis at the Franchised Facility, and

(2) Have attended and satisfactorily completed such training, retraining or refresher training program as Franchisor may require, in its sole discretion, at such times and places prior to the expiration of this Agreement as Franchisor may reasonably designate.

13.6 Franchisee agrees to maintain the condition and appearance of the premises of the Franchised Facility consistent with Franchisor's quality controls and standards for the image of a Sam & Louie’s® Franchised Facility as an attractive, pleasant, clean and comfortable facility for its customers. Franchisee agrees to effect such reasonable maintenance of the Franchised Facility as is from time to time required to maintain or improve the appearance and efficient operation of the Franchised Facility, including replacement of worn out or obsolete equipment, flooring, furnishings, fixtures and signs, repair of the exterior and interior of the Franchised Facility and redecorating. If at any time in the Franchisor's judgment the general state of repair or the appearance of the premises of the Franchised Facility or its equipment, fixtures, signs or décor does not meet the Franchisor's quality control and standards therefor, the Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate, within thirty (30) days after receipt of such notice, and thereafter continue, a bona fide program to complete any required maintenance, Franchisor shall have the right, in addition to all other remedies, to enter upon the premises of the Franchised Facility and effect such repairs, painting, decorating or replacements of equipment, fixtures or signs on behalf of Franchisee and Franchisee shall pay the entire costs thereof on demand. Franchisee’s obligation to initiate and continue any required maintenance shall be suspended during any period in which such maintenance is impractical due to war, civil disturbance, natural disaster, organized labor dispute or other event beyond Franchisee’s reasonable control.

13.7 Franchisee agrees to use the Franchised Facility Premises solely for the operation of the Franchised Business in the manner and pursuant to the standards prescribed herein, in the Confidential Operating Manuals or otherwise in writing, and to refrain from using or permitting the use of the Premises for any other purpose or activity at any time.

13.8 Franchisee agrees that this Agreement shall constitute a lien upon all exterior sign facia bearing any Licensed Marks which are to be displayed on the exterior of the Franchised Facility Premises, and in the event of any termination or expiration of this Agreement, Franchisee agrees to remove immediately such facia bearing any of the Licensed Marks from the Premises. If Franchisee fails to make such alterations within fifteen (15) days after termination or expiration of this Agreement, Franchisee agrees that Franchisor or its designated agents may enter upon the Premises at any time to make such alterations, at Franchisee’s sole risk and expense, without liability for trespass. Franchisor shall be entitled to acquire all such sign facia not removed by Franchisee in a timely manner pursuant to this Paragraph for the sum of Ten Dollars ($10).

13.9 Franchisee shall make no material alterations to the improvements of the Franchised Facility nor shall Franchisee make material replacements of or alterations to the equipment, fixtures or signs of the Franchised Facility without the prior written approval by the Franchisor.

13.10 The location of the Franchised Facility approved by Franchisor in accordance with Section III. hereof shall be used solely for the purpose of conducting the business of a Sam & Louie's® Franchised Facility.

13.11 Franchisee shall sell and offer for sale all such pizza, calzones, stromboli's, lasagna, pasta, and other related products, goods and services as Franchisor may, from time to time require, and only those which Franchisor may, from time to time approve, which are not subsequently disapproved, as meeting its product criteria or quality standards and specifications. In addition to any remodeling, repairs, replacement and redecoration required by Paragraph 13.6 hereof, in order to introduce new products or services through all Sam & Louie's® Franchised Facilities, Franchisee may be required to expend additional amounts on new, different or modified equipment or fixtures necessary to offer such new products or services. In such event, Franchisee shall have up to six (6) months to complete any modifications necessitated by the introduction of such new products and/or services.

13.12 In order to maintain the consistency and uniformity of product quality throughout the Sam & Louie's® System, Franchisor requires and Franchisee agrees that all raw materials, food ingredients, supplies and other items used in preparation of Sam & Louie's® products shall be supplied by a Designated Supplier as the only source of supply for any such item used in the production and packaging of Sam & Louie's® products. Franchisee is expressly prohibited from the use of any alternative from any alternate source without the express written approval of Franchisor. The use of any product, food ingredient, material or supply not approved by Franchisor or procured from a non-approved source is considered a material breach of this Franchise Agreement and grounds for termination.

13.13 Franchisor will supply to Franchisee a "Designated Supplier List" with the supplier information and a complete listing of all approved raw materials, food ingredients, products and supplies for use in the Sam & Louie's® System.

13.14 If Franchisee proposes to offer for sale at the Franchised Facility any brand of product, or to use in the production of products or the operation of Franchised Facility any brand of food ingredient or other material or supply which is not then approved by Franchisor as meeting its specifications and standards of appearance or quality, or to purchase any product from a supplier that is not then designated by Franchisor as an approved supplier, Franchisee shall first notify Franchisor and shall upon request by Franchisor submit samples and such other information as Franchisor requires for examination and/or testing or to otherwise determine whether such food ingredient, product, material or supply, or such proposed supplier meets its specifications and quality standards. Approval by Franchisor shall be based on the resultant impact of approval of such supplier, food ingredient, material or supply and the preservation of product and the Sam & Louie's® System integrity. The basic characteristics of the Sam & Louie's® products' appearance, texture, flavor and salability may not be altered by use of any non-approved equipment, food ingredients, product, materials or supplies. A charge not to exceed the reasonable cost of the inspection and evaluation and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any supplier of an approved item and to revoke its approval of any item which fails to continue to meet any of Franchisor's criteria. Upon written acceptance and approval by Franchisor of products and suppliers submitted pursuant to this Paragraph for inclusion on the Designated Suppliers and Supplies List, then Franchisee, who has submitted such supplier and supplies, shall be free to purchase such product from such newly approved supplier.

13.15 Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove from the Premises, at Franchisor's option, certain samples of any products, materials, supplies and expendables without payment therefor, in amounts reasonably necessary for testing by Franchisor or any independent laboratory, to determine whether such samples meet Franchisor's then-current standards and specifications.

13.16 Unless otherwise specifically approved by Franchisor, Franchisee’s Franchised Facility shall be open for the conduct of business at such times and for the minimum number of hours specified by Franchisor in the Confidential Operating Manual, as may be amended from time to time or, if different, for such hours as may be required by the terms of any lease of the Premises; and Franchisee shall at all times staff the Franchised Facility with such number of employees and operate the Franchised Facility diligently so as to maximize the revenues and profits therefrom.

13.17 Franchisee shall use only business stationary, business cards, marketing materials, advertising materials, printed materials or forms which have been approved in advance by Franchisor. Any and all supplies or materials purchased, leased or licensed by Franchisee shall always meet those standards specified by Franchisor in the Confidential Operating Manual or otherwise in writing.

13.18 Franchisee shall not employ any person to act as a representative of Franchisee in connection with local promotion of the Franchised Facility in any public media without the prior written approval of Franchisor, nor shall Franchisee employ or authorize any public figure or other recognized personality to represent, promote, endorse, speak, or write in behalf of the Franchised Facility or the Sam & Louie’s® System without prior written approval from Franchisor.

13.19 In all advertising displays and materials and at the Premises, Franchisee shall, in such form and manner as may be specified by Franchisor in the Confidential Operating Manual, notify the public that Franchisee is operating the business licensed hereunder as a Franchisee of Franchisor and shall identify its business location in the manner specified by Franchisor in the Confidential Operating Manual. Further, at the request of Franchisor, the Franchisee shall display, or otherwise make available through flyers in conjunction with delivery of goods or services, literature provided by Franchisor relating to the availability of Sam & Louie’s® franchises as supplied by the Franchisor and at such location(s) as directed by the Franchisor from time to time.

13.20 Franchisee shall respond promptly to customer complaints and shall take such other steps as may be required to ensure positive customer relations, whether the complaint is received directly to Franchised Facility or through the Franchisor’s customer service line and forwarded to Franchisee for follow-up.

13.21 Franchisee hereby grants to Franchisor and its agents the right to enter upon the Premises, without notice, at any reasonable time for the purpose of conducting inspections of the Premises, Franchisee's books, records, register tapes, inventory and products, and to observe the manner in which Franchisee and its employees are producing products, rendering customer service, and generally conducting the business of the Franchised Facility. Franchisee agrees to render such assistance as may reasonably be requested and to take such steps as may be necessary immediately to correct any deficiencies detected during such an inspection upon the request of Franchisor or its agents.

13.22 Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, in its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other conditions which Franchisor deems to be of importance to the successful operation of such Franchisee's business. Franchisee shall have no recourse against Franchisor on account of any variation from standard specifications and practices granted to any Franchisee and shall not be entitled to require Franchisor to grant Franchisee a like or similar variation hereunder.

13.23 Upon Franchisor's request, Franchisee agrees to install, update or replace any equipment, cash registers, computer hardware or software (proprietary or otherwise) designed for the purpose of recording receipts at point of sale and to utilize such equipment including locked totaling devices and software of such kind and in such manner as is specified by Franchisor from time to time.

13.24 Franchisee hereby grants to Franchisor the right to take such steps as are necessary to manage the Franchised Business for the account of Franchisee in the event of Franchisee's death or in the event that an independent third party (such as a medical doctor) reasonably determines that Franchisee (if Franchisee is an individual owner/operator) is incapacitated or incapable of running the Franchised Facility, and to receive a reasonable fee for such services, which shall include the offset of salaries, wages, and expenses incurred by Franchisor relating directly to personnel utilized to assist in the operation of the Franchised Facility.

13.25 Franchisee agrees to fully comply with all mandatory specifications, standards, operating procedures and rules as in effect from time to time as set forth in this Franchise Agreement and as set forth in the Confidential Operating Manual or otherwise in writing from time to time by Franchisor. No such specification, standard, operating procedure or rule shall be unreasonable or inconsistent with any provision of the lease for the premises of the Franchised Facility.

13.26 Franchisee shall secure and maintain in force all required licenses, health and other permits and food-handling and other certificates relating to the operation of the Franchised Facility and shall operate the Franchised Facility in full compliance with all applicable laws, ordinances and regulations and health codes, including, without limitation, all federal, state and local government regulations relating to occupational hazards and health and worker safety

(OSHA), EEOC laws, ADA laws, consumer protection, trade regulation, wage and hour, worker's compensation, unemployment insurance and withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes. Franchisee agrees to refrain from any merchandising, advertising or promotional practice which is unethical, illegal or immoral, or may be injurious to the business of the Franchisor and/or other franchisees or to the goodwill associated with the Mark(s)**.**

13.27 Franchisee shall, in the operation of the Franchised Facility, use only displays, packaging, containers, labels, forms and other paper and products imprinted with the Marks and colors as prescribed from time to time by Franchisor.

13.28 Franchisee agrees that the Franchised Facility shall at all times maintain an inventory of raw materials and other materials and supplies that will permit operation of the Franchised Facility at maximum capacity. Franchisee further agrees that, unless otherwise agreed to in writing by Franchisor, the Franchised Facility will at all times maintain an inventory supply of raw material to produce products which, if sold at Franchisee's customary retail prices, would generate revenues equivalent to not less than the average weekly sales of the Franchised Facility for the preceding thirteen (13) weeks.

13.29 The reputation and goodwill of the Sam & Louie's® System and the mark Sam & Louie's® are based upon and can be maintained and enhanced only by the development and maintenance of a solid customer base, the rendering of fast, efficient and high-quality service by each franchisee, and the uniform offering of high-quality service and products consistent with the guidelines approved for every such facility. At all times during the term of its franchise, Franchisee shall use its best efforts to develop the market for Sam & Louie's® products and to effect the widest and best possible name recognition within its local market and to promote the Sam & Louie's® System.

13.30 Franchisee agrees to comply with all standards of "Trade Dress" utilized, protected and proprietary to Franchisor including, but not limited to, material and fixtures, design and color scheme, unique manner of product displays, and uniforms and manner of dress required for all employees of Franchisee.

13.31 Franchisee shall not install or maintain on the premises of the Franchised Facility any newspaper racks, video games, juke boxes, gum machines, games, rides, vending machines or other similar devices without the written approval of Franchisor.

13.32 Franchisee shall not install any type of merchandise or display racks, shelves or devices, nor display any merchandise or items for sale or gift without the prior written approval of Franchisor.

13.33 Franchisee shall notify Franchisor immediately upon the termination or resignation of the Designated Manager of record of the Franchised Facility who is responsible for the full-time, day-to-day operations of the Franchised Facility.

13.34 Franchisee shall ensure the product quality and standards by producing all products consistent with the recipes, standards and techniques presented by Franchisor and shall exactly adhere to all standards of acceptable shelf (post-production) time and at no time display or offer for sale to anyone at any price products that have reached the maximum allowable limits of post-production shelf life. All of the conditions of this Paragraph 13.34 shall be strictly controlled by the standards of the Confidential Operating Manual.

13.35 Franchisee shall notify Franchisor in writing within five (5) 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 Facility.

XIV. FRANCHISOR'S OPERATIONS ASSISTANCE

14.1 The Franchisor may from time to time advise or offer guidance to Franchisee relative to prices for the product line offered for sale by the Franchised Facility that in the Franchisor's judgment constitute good business practice. Such prices will be based on the experience of the Franchisor and its Franchisees in operating Franchised Facilities and an analysis of the costs of such products and prices charged for competitive products. Franchisee shall not be obligated to accept any such advice or guidance and shall have the sole right to determine the prices to be charged from time to time by the Franchised Facility and no such advice or guidance shall be deemed or construed to impose upon Franchisee any obligation to charge any fixed, minimum or maximum prices for any product offered for sale by the Franchised Facility.

14.2 Upon commencement of operation of the Franchised Facility, and during the term of this Agreement and any renewal period thereof, the Franchisor shall provide to Franchisee the following:

(1) An "Approved Equipment and Furnishings List" establishing sources of equipment, materials, supplies and fixtures necessary for the operation of the Franchised Facility and a "Designated Supplier and Supplies List" providing supplier information and a listing of all approved raw material, food ingredients, products and supplies;

(2) Coordinate, as required, distribution and purchasing from local, regional and national suppliers; and

(3) Regulate quality standards and products in conformance throughout the network of Franchised Facilities.

14.3 Franchisor shall advise Franchisee of problems arising out of the operation of the Franchised Facility as disclosed by reports submitted to Franchisor by Franchisee or by inspections conducted by Franchisor of the Franchised Facility. Franchisor may furnish Franchisee with such assistance in connection with the operation of the Franchised Facility as is reasonably determined to be necessary by Franchisor from time to time. Operations assistance may consist of advice and guidance with respect to:

(1) Proper utilization of procedures developed by the Franchisor with respect to services regarding the production and sale of authorized products as approved by Franchisor;

(2) Additional products and services authorized from time to time for Franchise facilities;

(3) Purchase of food ingredients, raw materials, and supplies;

(4) The institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a Sam & Louie's® facility;

(5) Procedures concerning any developed Proprietary Software Program(s); and

(6) Advertising and promotional programs.

14.4 Franchisor shall make periodic visits to the Franchised Facility for the purposes of consultation, assistance, and guidance of Franchisee in all aspects of the operation and management of the Franchised Facility. Franchisor's representative will prepare, for the benefit of both Franchisor and Franchisee, written reports in respect to such visits outlining any suggested changes or improvements in the operations of the Franchised Facility and detailing any defaults in such operations which become evident as a result of any such visit, and a copy of each such written report shall be provided to both Franchisor and Franchisee.

14.5. The "Approved Equipment and Furnishings List," "Designated Supplier and Supplies List," approved product information, training and operating manuals to be provided by Franchisor to Franchisee pursuant to this Agreement shall be delivered within ten (10) days after execution of this Agreement.

XV. INSURANCE

15.1 Franchisee shall procure at its expense, and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, partners and employees, against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with the Franchised Facility, as Franchisor may reasonably require for its own and Franchisee's protection. Franchisor shall be named an additional insured in such policy or policies. Said policies shall be secured by Franchisee before commencement of business by Franchisee.

15.2 Such policy or policies shall be written by an insurance company satisfactory to Franchisor 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 coverage and higher policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Confidential Operating Manual or otherwise in writing) the following:

(1) Comprehensive general liability insurance, including products liability, property damage, owned and non-owned automobile coverage and personal injury coverage with a combined single limit of at least One Million Dollars ($1,000,000.00). Minimum limits may be modified from time to time by written notice to Franchisee.

(2) Workers' 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 Facility is located and operated.

(3) Fire, vandalism, theft, burglary and extended coverage insurance with primary and excess limits of not less than eighty percent (80%) replacement value of the Franchised Facility and its inventory, fixtures and equipment.

(4) Business interruption insurance.

15.3 The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. Within four (4) months of the signing of this Agreement, but in no event later than two (2) weeks before the date on which Franchisee takes possession and commences development of the premises from which it will operate the Franchised Facility, a Certificate of Insurance showing compliance with the foregoing requirements shall be furnished by Franchisee to Franchisor for approval. Such certificate shall state that said policy or policies will not be cancelled or altered without at least twenty (20) days prior written notice to Franchisor and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by Franchisee of the obligations under this Paragraph shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Minimum limits as required above may be modified from time to time, as conditions require, by written notice to Franchisee.

15.4 Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

XVI. COVENANTS

16.1 Unless otherwise specified, the term "Franchisee" as used in this Section XVII. shall include, collectively and individually, all officers, directors, guarantors and holders of a beneficial interest of five percent (5%) or more of the securities of Franchisee, and of any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation; and the general partners and any limited partner (including any corporation and the officers, directors, and holders of a beneficial interest of five percent [5%] or more of securities of a corporation which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership; any member or guarantor, if Franchisee is a Limited Liability Company; or any individual if Franchisee is a sole proprietorship.

16.2 Franchisee covenants that, during the term of this Agreement and any renewals thereof, except as otherwise approved in writing by Franchisor, Franchisee, or Franchisee's approved manager shall devote full time, energy, and best efforts to the management and operation of the business franchised hereunder.

16.3 Franchisee covenants that during the term of this Agreement and any renewal thereof, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(1) Divert or attempt to divert any business or customer of the business franchised hereunder to any competitor, by direct or indirect inducement or otherwise, or do, or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Marks and the Sam & Louie's® System.

(2) Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise, directly or indirectly, induce or seek to induce such person to leave his or her employment thereat.

(3) Engage as an owner, operator, or in any managerial capacity in any competitive business, including, without limitation, any business specializing in whole or in part in the production and/or sale of pizza, calzones, strombolies, hoagies, lasagna, and related products or other products sold in the Sam & Louie's® System, other than as a Franchisee of the System; provided, however, that Franchisee shall not be prohibited hereby from owning equity securities of any related business, whose shares are traded on a stock exchange or on the over-the-counter market so long as the Franchisee's ownership interest shall represent two percent (2%) or less of the total number of outstanding shares of such business.

16.4 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee and its employees will receive valuable training and confidential information, including, without limitation, information regarding the preparation and production of Sam & Louie's® product line, promotional and operating techniques, and sales and marketing methods and techniques of Franchisor and the Sam & Louie's® System. Accordingly, in the event this Agreement is terminated, expires, or is not renewed, or if Franchisee assigns or transfers its interest herein to any person or business organization except pursuant to the provisions herein, then in such event Franchisee covenants for a period of two (2) years after such termination, expiration, non-renewal, transfer or assignment not to engage as an owner, operator, or in any managerial capacity, in any like or related business including, without limitation, any business specializing in whole or in part in the production and/or sale of pizza, calzones, strombolies, hoagies, lasagna, and related products manufactured, produced, and offered for sale at the Franchised Facility, at or within:

(1) the Standard Metropolitan Statistical Area (SMSA), as that term is defined by the Census Bureau of the United States, in which the Franchised Facility is located; or

(2) a radius of ten (10) miles of the location franchised hereunder; or

(3) a radius of ten (10) miles of the location of any other business using the Sam & Louie's® System, whether franchised or owned by Franchisor.

It is understood and agreed that the purpose of this covenant is not to deprive Franchisee of a means of livelihood and will not do so, but is rather to protect the goodwill and interest of Franchisor and the Sam & Louie's® System.

16.5 During the Term of this Agreement and thereafter, Franchisee covenants not to communicate directly or indirectly, nor to divulge to or use for its benefit or the benefit of any other person or legal entity, any trade secrets which are proprietary to Franchisor or any information, knowledge or know-how deemed confidential by Franchisor, except as permitted by Franchisor. In the event of any termination, expiration or non-renewal of this Agreement, Franchisee agrees that it will never use Franchisor's confidential information, trade secrets, recipes, methods of production or operation or any proprietary components of the Sam & Louie's® System in the design, development or operation of any like or related business, including, without limitation, any business specializing in whole or in part in the production and/or sale of pizza, calzones, strombolies, hoagies, lasagna, and related products manufactured, produced, and offered for sale at the Franchised Facility. Franchisee agrees that if it engages as an owner, operator or in any managerial capacity in any such business, it will assume the burden of proving that it has not used Franchisor's confidential information, trade secrets, recipes, methods of production and operation or any proprietary components of the Sam & Louie's® System. The protection granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded in law or in equity. In addition, Franchisee agrees to execute employee nondisclosure and noncompetition agreements with its managers, which shall prohibit competition by such persons during and for a period of one (1) year after termination of their employment with Franchisee in any competitive business selling like or similar products at or within a ten (10) mile radius of the Franchised Facility Premises and which shall further prohibit disclosure by such parties to any other person or legal entity of any trade secrets or any other information, knowledge or know-how deemed confidential by Franchisor concerning the operation of the Franchised Facility. The form of such employee nondisclosure agreements shall be subject to the prior written approval of Franchisor and shall also be for the benefit of Franchisor. Franchisor shall be a third party beneficiary of such agreements and Franchisee shall not amend, modify or terminate any such agreement without Franchisor's prior written consent.

16.6 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. Should any part of one or more of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of any or all such restrictions, Franchisee and Franchisor agree that the same shall be enforced to the fullest extent permissible under the law. In addition, Franchisor may, unilaterally, at any time, in its sole discretion, revise any of the covenants in this Paragraph 16.6 so as to reduce the obligations of Franchisee hereunder. Franchisee further expressly agrees that the existence of any claim it may have against Franchisor whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph 16.6.

16.7 Franchisee further agrees not to divulge during, or at any time after, the term of the Franchise Agreement to any person, partnership, corporation or any other entity any information, trade secrets, production techniques, retail operating methods or any information stated in the Confidential Operating Manual.

XVII. DEFAULT AND TERMINATION

17.1 General

Franchisor may not terminate this Agreement prior to the expiration of its term except for "cause," which shall mean the occurrence of any event of default hereinafter described. Upon the occurrence of any event of default, Franchisor may, at its option, and without waiving its rights hereunder or any other right available at law or in equity, including its rights to damages, (i) terminate this Agreement and all of Franchisee's rights hereunder effective upon the date Franchisor gives written notice of termination, after having provided a fifteen (15) day period to cure (if curable) after notice of default is delivered by Franchisor to Franchisee or upon such other dates as may be set forth in such notice of default as defined separately below in Paragraph 17.3, or (ii) in those instances enumerated below in Paragraph 17.2, automatically upon the occurrence of any one or more of the events shall constitute an event of default and grounds for termination of this Agreement by Franchisor without notice of default or opportunity to cure.

17.2 Automatic Termination

This Agreement shall terminate automatically, without notice or action required by Franchisor:

(1) if 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; or if a final judgment in excess of ($1,000.00) remains unsatisfied or of record for 60 days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction);

(2) if Franchisee or any person controlling Franchisee, or any principal officer, partner or majority shareholder of Franchisee, is convicted of a felony, or any other crime or offense (even if not a crime) that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the Sam & Louie's® System, any or any facility therein, the Licensed Marks or the goodwill associated therewith.

(3) if Franchisee abandons or fails or refuses to actively operate the Franchised Facility without prior notification to Franchisor for two (2) normal business days in any twelve (12) month period, unless the Franchised Facility has been closed (a) for a purpose approved by Franchisor, which Franchisor will not unreasonably withhold; or (b) due to an act of God; or (c) due to war, civil dispute or organized labor union strike.

(4) if Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefore.

17.3 Termination With Notice

Except with respect to Franchisee's failure to pay any of the sums due Franchisor hereunder, or except as herein expressly provided, Franchisor may terminate this Agreement upon the expiration of fifteen (15) calendar days from date of default and "Notice to Cure" delivered to Franchisee setting forth a material breach including, but not limited to, the following:

(1) if Franchisee fails to pay any financial obligation, including, but not limited to, Continuing Royalty payments, advertising contributions, co-op advertising allocations, lease payments, or other amounts due Franchisor or its affiliates pursuant to this Agreement within five (5) days of the date on which Franchisor gives notice of such delinquency or immediately upon written notice if such payment has not been made within thirty (30) days after the date on which it is required to be paid;

(2) if Franchisee fails to pay immediately upon written notice if Franchisee is determined to have under-reported its Gross Volume of Business during any week by two percent (2%) or more of the actual Gross Volume of Business during such week, and cannot substantiate such as inadvertent;

(3) if Franchisee fails to commence operation of the Franchised Business as required by Paragraph 14.2 hereof;

(4) if Franchisee uses in the Franchised Facility any unauthorized product, food ingredient, material, supply or packaging, or purchases any of the same from any non-Designated

supplier, without the express written approval of Franchisor and in compliance with all terms herein;

(5) if there is any violation of any transfer and assignment provision contained in Section XX. of this Agreement;

(6) if Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period;

(7) if Franchisee or its designated manager fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to Section VI. of this Agreement;

(8) if Franchisee fails to decorate and equip the Franchised Facility as provided herein and in the Confidential Operating Manual or otherwise in writing by Franchisor;

(9) if Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Facility;

(10) if Franchisee violates any covenant of confidentiality or nondisclosure contained in this Agreement, or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by Franchisor and designated for confidential use within the Sam & Louie’s® System without Franchisor's prior approval;

(11) if Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification herein or fails to operate the Franchised Facility as specified by Franchisor in the Confidential Operating Manual, fails to pay promptly any undisputed bills from approved suppliers, and fails to cure such non-compliance or deficiency within fifteen (15) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof;

(12) if Franchisee defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Franchised Business or the Franchised Facility, and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party;

(13) if Franchisee's interest in any lease relating to the operation of the Franchised Business at the Premises is terminated or expires or if Franchisee's right of possession of the Premises shall be terminated at any time for any cause whatsoever and Franchisee has not secured an approved alternate site;

(14) if Franchisee surrenders or transfers control of the operation of the Sam & Louie’s® Franchised Facility, makes an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchise or fails or refuses to assign the Franchise or the interest of a deceased or disabled controlling Franchisee as herein required;

(15) if Franchisee submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise Agreement any reports or other data, information or supporting records which understate by more than two percent (2%) the Continuing Royalty for any period, and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

(16) if Franchisee continues to violate any health, safety or sanitation law, ordinance or regulation or operates the Franchised Facility in a manner that presents a health or safety hazard to its customers or the public;

(17) if Franchisee materially misuses or makes an unauthorized use of any Marks or commits any act which can reasonably be expected to materially impair the goodwill associated with any Marks;

(18) if Franchisee refuses to submit when due, monthly activity and profit and loss reports, Royalty and Sales reports, annual financial statements, or other information or supporting records.

17.4 Termination by Franchisee

Franchisee may not terminate this Agreement prior to the expiration of its term except through appropriate process resulting from Franchisor's material breach of this Agreement or otherwise with Franchisor's consent. In the event that Franchisee shall claim that Franchisor has failed to meet any obligation under this Agreement, Franchisee shall provide Franchisor with written notice of such claim, within six (6) months of its occurrence, specifically enumerating all alleged deficiencies and providing Franchisor with an opportunity to cure, which shall in no event be less than thirty (30) days from the date of receipt of such notice by Franchisor from Franchisee. Failure to give such notice shall constitute a waiver of any such alleged default. Failure of Franchisor to cure or reach resolution shall cause termination of this Agreement.

17.5 Applicable Law

To the extent that the provisions of this Agreement provide for period of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal 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.

XVIII. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

18.1 Cease to be a Franchisee of Franchisor under this Agreement and cease to operate the former Franchised Business under the Sam & Louie's® System. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former Franchised Business is or was operated or in any way connected with the Sam & Louie's® System or hold itself out as a present or former Franchisee of Franchisor at or with respect to the Premises;

8.2 Upon demand by Franchisor, assign to Franchisor Franchisee's interest in any lease then in effect for the Franchised Facility premises, with all payments due under the lease having been paid in full by Franchisee, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

18.3 Pay all sums owing to Franchisor. Upon termination for any default by Franchisee, such sums shall include actual and consequential damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of the default.

18.4 Franchisee shall immediately turn over to Franchisor all manuals, including all the Confidential Operating Manual(s), any Sam & Louie's® Proprietary Software Program(s), customer lists, records, files, instructions, menus, brochures, agreements, disclosure statements, confidential information, and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Facility (all of which are acknowledged to be Franchisor's property).

18.5 Immediately and permanently cease to use in any manner whatsoever, any confidential methods, recipes, production procedures, and techniques associated with the Sam & Louie's® System.

18.6 Cease to use in advertising, or in any manner whatsoever, any marketing methods, procedures or techniques associated with the Sam & Louie's® System in which Franchisor has a proprietary right, title or interest; cease to use the Licensed Marks and any other marks and indicia of operation associated with the Sam & Louie's® System and remove all Trade Dress, physical characteristics, color combinations, furniture (including all tables, chairs and booths) of which Franchisor has the right to purchase for the sum of ten dollars ($10.00), and other indications of operation under the Sam & Louie's® System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration of this Agreement, it will remove all signage bearing the Licensed Marks, and, upon Franchisor's request, deliver the facia for such signs to Franchisor, and will remove any items which are characteristic of the Sam & Louie's® System "Trade Dress" from the Premises, and repaint the Premises in color schemes which are not confusingly similar to Franchisor's standardized and recognizable interior and exterior colors. If such actions are not completed within sixty (60) days of termination, Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any reasonable time to make such changes at Franchisee's sole risk and expense and without liability for trespass.

18.7 Franchisee shall take such action as may be necessary to assign to Franchisor or Franchisor's designee any assumed name rights or equivalent registration filed with state, city, or county authorities which contains the name Sam & Louie's® or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to

Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of the Agreement.

18.8 Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and further agrees not to utilize any designation or origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition.

18.9 Franchisor shall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase for cash any or all equipment, supplies, and other inventory, advertising materials, and all items bearing Franchisor's Marks, at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser acceptable to Franchisee shall be designated by Franchisor, and its determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment therefor.

18.10 Franchisee shall comply with the covenants contained in Section XVII. of the Agreement.

XIX. TRANSFERABILITY OF INTEREST

19.1 This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor in its sole discretion to any person or legal entity which agrees to assume Franchisor's obligations hereunder, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the capital stock of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder are assigned or transferred.

19.2 Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee, and that Franchisor has granted this Franchise in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and any persons owning an interest in Franchisee. Accordingly, neither Franchisee nor any person owning any direct or indirect equity interest therein, shall, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest: (i) in this Agreement or any portion or aspect thereof, (ii) the Franchised Business, (iii) the Premises, or (iv) any equity or voting interest in Franchisee, nor permit the Franchised Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee (any such act or event is referred to as a "Transfer") without the prior written approval of Franchisor. Any such purported Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement. In addition, in the event Franchisee is a corporation, the stock of such corporation shall not be publicly sold or traded on any securities exchange or in the over-the-counter market without the express prior written consent of Franchisor, which consent shall not be unreasonably withheld.

19.3 Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes that there are many subjective factors that compromise the process by which Franchisor selects a suitable Franchisee. The consent of Franchisor to a Transfer by Franchisee shall remain a subjective determination of the Franchisor, which shall not be unreasonably withheld, and shall include, but not be limited to, the following conditions:

(1) The proposed Transferee is a person or entity which meets the Franchisor's standards of qualification then applicable with respect to all new applicants for similar Sam & Louie's® System Franchisees;

(2) The Transferee shall have delivered to Franchisor a letter from an independent certified public accountant unaffiliated with Franchisee acknowledging, among other things, that such accountant has reviewed the terms and conditions of the proposed assignment, transfer or sale with the prospective Transferee;

(3) As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied;

(4) As of the effective date of the proposed Transfer, all obligations of the proposed Transferee to the Franchisor under all other agreements of any kind between the proposed Transferee and Franchisor are fully satisfied; and

(5) As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, granted in its reasonable discretion, of the proposed Transfer to the proposed Transferee, in accordance with the following provisions of this Section XX.

19.4 Franchisee shall submit to Franchisor prior to any proposed Transfer of any equity or voting interest in Franchisee, and at any other time upon request, a list of all holders of direct or indirect equity and voting interests in Franchisee reflecting their respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

19.5 Franchisor may require, as a condition of its approval of any proposed Transfer, satisfaction of the additional requirements set forth in this Paragraph 19.5 in the event Franchisee is a partnership or privately held corporation and the proposed Transfer, alone or together with all other previous, simultaneous and/or proposed Transfers, would have the effect of reducing directly or indirectly to less than a majority of the percentage of equity and voting interest (as reasonably determined by Franchisor) owned in Franchisee by the initial equity and voting owners identified in Paragraph 2 of Exhibit FA-2 attached hereto, or in the event Franchisee is a natural person and the proposed Transfer, alone or together with other simultaneous or proposed Transfers, would have the effect of reducing directly or indirectly Franchisee's equity or voting interest as reasonably determined by Franchisor in this Franchise to less than a majority. In computing the percentages of equity and voting interest owned in Franchisee for purposes of this Paragraph 19.5, general partnership interests shall not be distinguished from limited partnership interests. The requirements for all such Transfers under Paragraph 19.5 are as follows:

(1) Franchisee must request that Franchisor provide the prospective Transferee with the Franchisor's current form of disclosure document required by the Federal Trade Commission's Trade Regulation Rule on Franchising and/or other applicable state franchise registration/disclosure laws, and a receipt for such document shall be delivered to Franchisor; provided, however, Franchisor shall not be liable for any representations other than those contained in such disclosure document;

(2) The proposed Transferee must execute a new Franchise Agreement, namely, Franchisor's then-current form of Franchise Agreement, which may contain terms and conditions substantially different from those in this Agreement, for an initial term equal to the time remaining in the term of this Agreement as of the date of such transfer;

(3) There shall have been paid to Franchisor, together with the application for consent to the transfer, the transfer fee then required by Franchisor of comparable Sam & Louie's® Franchisees;

(4) If permitted by applicable law, the Transferor and the Transferee shall have executed a general release where required, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement or any other agreement;

(5) The Transferee shall demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a Franchisee, including, without limitation, that it meets Franchisor's managerial and business standards then in effect for similarly situated Franchisees; possesses a good moral character, business reputation, and satisfactory credit rating; is not a competitor of Franchisor; will comply with all instruction and training requirements of Franchisor and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise); and

(6) The Transferee and/or its designated managerial personnel (as applicable) shall have completed, to Franchisor's satisfaction, the training then required by Franchisor and Franchisor shall have the right to charge Transferee the then-current training fee for such applicable training provided by Franchisor.

19.6 Upon the death or mental or physical incompetence (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in Franchisee and who has managerial responsibility for the operation of the Franchised

Business, the executor, administrator, or personal representative of such person shall transfer its interest to a third party approved by Franchisor within six months after the death or finding of incompetence. Such transfers shall be subject to the same conditions as any lifetime transfer.

19.7 If Franchisee or any person or entity holding any direct or indirect interest in Franchisee, this Agreement or the Premises desires to make a Transfer for value, Franchisee shall first notify Franchisor in writing of such intention and offer to sell or transfer such interest to Franchisor upon the terms and conditions set forth in such notice, which shall be at least as favorable as those offered by a bona fide third party (and such notice shall include a copy of such third party offer), net of any applicable real estate and/or business brokerage commissions, at Franchisor's option. If Franchisor and Franchisee cannot agree within 30 days of such notice on the terms and conditions of such Transfer, or if Franchisor notifies Franchisee that it does not want to acquire such interest, Franchisee may sell or transfer such interest to a bona fide third party, provided that such Transfer is made within 120 days after the expiration of any offer to Franchisor, that such Transfer is made at a net price and on terms and conditions no more favorable than those offered in writing by such third party and provided in the notice to Franchisor, that all applicable requirements of Paragraph 20.5 hereof are met, and in connection with such Transfer, that the Premises shall continue to be operated pursuant to the Sam & Louie's® System. Failure of Franchisor to exercise the option afforded by this Paragraph 20.7 shall not constitute a waiver of any other provision of this Agreement, including all requirements of Section XX with respect to a proposed Transfer. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be able or required to furnish the same consideration, terms and/or conditions, then Franchisor 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 the third party, an independent appraiser shall be designated and his determination shall be binding.

19.8 Notwithstanding the foregoing, it is understood that Franchisee (if an individual) may assign this Agreement, the Franchised Business, and/or Franchisee's rights and obligations hereunder on one occasion to a corporation organized by Franchisee for that purpose only and at least a majority of all the issued and outstanding shares of voting stock and equity interest of which shall be owned and voted continuously by Franchisee, and further provided that Franchisor shall have approved in advance all other shareholders of such corporation holding equity or voting interests, which consent shall not be unreasonably withheld. Franchisor shall be given written notice of such assignments and delegation, and thereupon such corporation shall have all of such rights and obligations, and the term "Franchisee" as used herein shall refer to such corporation; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Franchisee," who shall remain fully bound by and responsible for the performance of all of such obligations, jointly and severally with such corporation. Such corporation shall at no time engage in any business or activities other than the exercise of the rights herein granted to the Franchisee and the performance of its obligations as Franchisee hereunder.

19.9 Franchisor's consent to a Transfer of any interest in the Franchisee granted herein shall not constitute a waiver of any claims it may have against the transferring party, 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.

19.10 Franchisor will not require approval of the assignment of all or any part of the assets of the Franchised Business or the stock in a corporate Franchisee, excluding this Agreement or the rights established thereunder, to a bank or other lending institution as collateral security for loans made directly to or for the benefit of the Franchised Business. However, approval will be required for any proposed assignment or hypothecation of this Agreement or the rights established thereunder, which approval will not permit further transfers or assignments of this Agreement, without compliance by the transferee or assignee with the provisions of this Section XX.

XX. DEATH OR INCAPACITY OF FRANCHISEE

20.1 In the event of the death or incapacity of an individual Franchisee, or any partner of Franchisee which is a partnership or any shareholder owning fifty percent (50%) or more of the capital stock of a Franchise which is a corporation, the heirs, beneficiaries, devisees, or legal representatives of said individual, partner or shareholders shall, within one hundred eighty (180) days of such event:

(1) Apply to Franchisor for the right to continue to operate the Franchise for the duration of the term of this Agreement and any renewals hereof, which right shall be granted upon the fulfillment of all of the conditions set forth in Paragraph 20.5 of this Agreement (except that no transfer fee shall be required); or

(2) Sell, assign, transfer, or convey Franchisee's interest in compliance with the provisions of Paragraph 20.2 and Section XXII. of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the one hundred eighty (180) days to sell, assign, transfer or convey shall be computed from the date of said rejection. For purposes of this Paragraph, Franchisor's silence on an application made pursuant to Paragraph 21.1(1) through the one hundred eighty (180) days following the event of death or incapacity shall be deemed a rejection made on the last day of such period.

20.2 In order to prevent any interruption of the Franchised Facility which would cause harm to said business and thereby depreciate the value thereof, Franchisee authorizes Franchisor, at Franchisor's discretion, in the event that Franchisee is absent or incapacitated by reason of illness or death and unable to operate the Franchised Business hereunder by means of qualified managers and/or employees, Franchisor shall supervise or operate the Franchised Facility on account of Franchisee for so long as is reasonable or necessary for Franchisee, assigns, benefactors, or transferee to assume control and operation as a qualified and trained manager. Franchisor has no obligation to perform such supervision or operation duties, but in the event of such supervision or operation, Franchisor shall be fairly compensated by the offsetting payment by Franchisee of Franchisor's expenses for salaries and wages and travel and living expenses of Franchisor's personnel assigned to perform the supervision and/or operating duties.

20.3 In the event of the death or incapacity of an individual Franchisee, or any partner or shareholder of Franchisee which is a partnership or corporation, where the aforesaid provisions of Section XX. have not been fulfilled within the time provided, all rights licensed to Franchisee under this Agreement shall, at the option of Franchisor, terminate forthwith and automatically revert to Franchisor, and this Agreement shall terminate.

XXI. RIGHT OF FIRST REFUSAL

If Franchisee proposes to sell the Franchised Facility (or its assets) or part or all of the ownership of Franchisee, Franchisee shall obtain and deliver a bona fide, executed written offer to purchase same to Franchisor, which shall, for a period of fifteen (15) days from the date of delivery of such offer, have the right, exercisable by written notice to Franchisee, to purchase the Franchised Facility (or its assets) or such ownership for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. If Franchisor does not exercise this right of first refusal, the offer may be accepted by Franchisee subject to the prior written approval of Franchisor, as provided in Section XX. hereof, provided that if such offer is not so accepted and the transactions consummated within six (6) months of the date thereof, Franchisor shall again have the right of first refusal herein described.

XXII. INDEPENDENT CONTRACTOR

22.1 This Agreement does not designate 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.

22.2 Franchisee shall prominently display, by posting of a sign within public view, on or in the Premises of the Franchised Facility, a statement that clearly indicates that said business is independently owned and operated by Franchisee as a Sam & Louie's® Franchise of Franchisor and not as an agent thereof.

22.3 Under no circumstances shall Franchisor be liable for any act, omission, debt, or any other obligation of Franchisee. Franchisee shall indemnify and hold Franchisor harmless against and from all and any claims and the cost of defending against such claims arising directly or indirectly from, or as a result of, or in connection with, Franchisee's operation of the Franchised Facility.

XXIII. 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.

XXIV. NOTICE

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Michael Nolan, President
MoniPaigey, LLC., dba Sam & Louie's®
P.O. Box 903
Elkhorn, NE 68022

Notices to Franchisee: ______________________________
____
____

Any notice by certified mail shall be deemed to have been given at the date and time of mailing.

XXV. COST OF ENFORCEMENT OR DEFENSE

In the event that either Franchisor or Franchisor's officers, directors, employees, or shareholders are required to employ legal counsel or to incur other expenses 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 in contemplation of the filing of such action or thereafter.

XXVI. ENTIRE AGREEMENT

This Agreement, and Exhibits attached 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. 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 executed in writing by both parties.

XXVII. SEVERABILITY AND CONSTRUCTION

27.1 Should any provision of this Agreement be for any reason held invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid; and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to effectuate fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee, or any portion hereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

27.2 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

27.3 The table of contents, headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement shall be construed independently of any other section or provision of this Agreement.

XXVIII. APPLICABLE LAW

28.1 This Agreement takes effect upon its acceptance and execution by Franchisor in Nebraska; and shall be interpreted and construed under the laws thereof, which laws shall prevail in the event of any conflict of law, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq).

28.2 Franchisee acknowledges and agrees that this Agreement is entered into in Douglas County, Nebraska and that any action commenced for the purpose of enforcing the terms and provisions hereof may be commenced in the following courts, at the sole option of Franchisor, the jurisdiction of which is hereby consented to by Franchisee: (1) the United States District Court for Franchisor's district; (2) to the highest court of original jurisdiction in the State of Nebraska; or (3) the United States District Court, court of general jurisdiction for the state, or inferior court for the judicial district in which Franchisee’s Sam & Louie’s® Franchised Facility is located.

28.3 No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

28.4 Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

XXIX. MEDIATION AND ARBITRATION

29.1 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 first determined by mediation in accordance with the guidelines outlined hereinbelow:

(1) Mediation shall take place at an appointed time and place in Lincoln, Nebraska, or any other location agreed to by the parties, before a Mediator who shall be chosen by both parties.

(2) Mediation shall be an informal, nonbinding presentation of the issues in dispute to the Mediator who shall attempt to determine the basis of the dispute and get the parties to agree to a mutually satisfactory resolution.

(3) The aggrieved party will notify the other in writing, within thirty (30) days of the determination that a dispute exists, of its intention to seek mediation to resolve the dispute.

(4) Each party will outline the dispute, from its perspective, in writing to the Mediator within thirty (30) days of notification of the dispute, who will, after a review of said documents, preside over a face-to-face discussion between the parties.

(a) If the Mediator is successful in resolving the dispute, the parties agree to be bound by said decision and shall take whatever action, including the execution of all appropriate documents, deemed necessary.

(b) If face-to-face Mediation takes longer than two (2) days, and/or no resolution appears imminent, the Mediator will determine that the Arbitration process should be adopted pursuant to the provisions of Paragraph 30.2 herein.

29.2 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 by mediation, 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 Omaha, Nebraska, or at such other place as designated by Fanchisor and agreed to by Franchisee.

29.3 Each party shall select one (1) arbitrator (who shall not be counsel for the party), and the two (2) so designated shall select a third (3rd) arbitrator. If either party shall fail to designate an arbitrator within seven (7) days after arbitration is requested, or if the two (2) arbitrators shall fail to select a third (3rd) arbitrator within fourteen (14) days after arbitration is requested, then such arbitrator shall be selected by the American Arbitration Association or any successor thereto upon application of either party. Judgment upon any award of the majority of arbitrators shall be binding and shall be entered in a court of competent jurisdiction. 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.

29.4 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.

29.5 It is the intent of the parties that any arbitration between Franchisor and Franchisee shall be of Franchisee’s individual claim and that the claim subject to arbitration shall not be arbitrated on a class-wide basis.

XXX. DEFINITIONS

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 and shall be deemed to include not only the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement, but shall also include all partners of the entity that executes this Agreement, in the event said entity is a partnership, and all shareholders, officers and directors of the entity that executes this Agreement, in the event said entity is a corporation. By their signatures hereto, all partners, shareholders, officers, directors and guarantors of the entity that signs this Agreement as Franchisee acknowledge and accept the duties and obligations imposed upon each of them, individually, by the terms of this Agreement.

XXXI. ACKNOWLEDGMENTS

Franchisee hereby acknowledges the following:

31.1 FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND UNDERSTANDS AND ACKNOWLEDGES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF FRANCHISEE AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR. FRANCHISEE AGREES THAT NO CLAIMS OF SUCCESS OR FAILURE HAVE BEEN MADE TO IT PRIOR TO SIGNING THIS AGREEMENT; AND THAT IT UNDERTAKES ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES HERETO, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACTS ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED EXCEPT AS SPECIFICALLY SET FORTH HEREIN. THIS AGREEMENT CANNOT BE CHANGED OR TERMINATED ORALLY WITHOUT LIMITING THE FOREGOING. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED UPON, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, OR AS TO THE SUITABILITY OF THE SITE FOR THE FRANCHISED FACILITY AS A SUCCESSFUL LOCATION FOR THE FRANCHISED FACILITY.

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Initial

31.2 FRANCHISEE HAS NO KNOWLEDGE OF ANY REPRESENTATIONS BY FRANCHISOR OR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS OR SERVANTS, ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE DOCUMENTS INCORPORATED HEREIN. FRANCHISEE REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT IT HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

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Initial

31.3 FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR'S APPROVAL OR ACCEPTANCE OF FRANCHISEE'S PREMISES DOES NOT CONSTITUTE RECOMMENDATION OR ENDORSEMENT OF THE LOCATION OF THE FRANCHISED FACILITY, NOR ANY ASSURANCE BY FRANCHISOR THAT THE OPERATION OF A FRANCHISED FACILITY AT THE PREMISES WILL BE SUCCESSFUL OR PROFITABLE.

____
Initial

31.4 FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED FRANCHISEE WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A FRANCHISE, TEN (10) BUSINESS DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, OR TEN (10) BUSINESS DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION. FRANCHISEE FURTHER ACKNOWLEDGES THAT FRANCHISEE HAS READ SUCH FRANCHISE OFFERING CIRCULAR AND UNDERSTANDS ITS CONTENTS.

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Initial

31.5 FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED FRANCHISEE WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO FRANCHISEE'S EXECUTION HEREOF.

____
Initial

31.6 FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED FRANCHISEE WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED.

____
Initial

31.7 FRANCHISEE, TOGETHER WITH ITS ADVISERS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE FRANCHISE.

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Initial

31.8 FRANCHISEE IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS DEVELOPERS AND FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

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Initial

31.9 FRANCHISEE ACKNOWLEDGES THAT THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER.

____
Initial

31.10 FRANCHISEE ACKNOWLEDGES THAT CONTRIBUTIONS TO THE SAM & LOUIE'S® ADVERTISING AND DEVELOPMENT FUND ARE INTENDED TO MAXIMIZE GENERAL PUBLIC RECOGNITION AND ACCEPTANCE OF THE MARKS FOR THE BENEFIT OF THE SAM & LOUIE'S®

SYSTEM AND THAT FRANCHISOR AND ITS DESIGNEE UNDERTAKE NO OBLIGATION IN ADMINISTERING THE FUND TO MAKE EXPENDITURES FOR FRANCHISEE WHICH ARE EQUIVALENT OR PROPORTIONATE TO ITS CONTRIBUTION, OR TO ENSURE THAT ANY PARTICULAR FRANCHISEE BENEFITS DIRECTLY OR PRO RATA FROM THE PLACEMENT OF ADVERTISING. FRANCHISOR SHALL DIRECT ALL ADVERTISING PROGRAMS WITH SOLE DISCRETION OVER THE CREATIVE CONCEPTS, MATERIALS AND MEDIA USED IN SUCH PROGRAMS AND THE PLACEMENT AND ALLOCATION THEREOF.

____
Initial

31.11 FRANCHISEE ACKNOWLEDGES THE IMPORTANCE AND AGREES TO SUPPLY TO FRANCHISOR A PROFIT AND LOSS STATEMENT AND BALANCE SHEET FOR THE LAST PRECEDING CALENDAR MONTH ON OR BEFORE THE FIFTEENTH (15TH) DAY OF EACH MONTH, IN THE FORM APPROVED BY FRANCHISOR. ADDITIONALLY, FRANCHISEE SHALL, AT ITS EXPENSE, SUBMIT TO FRANCHISOR WITHIN NINETY (90) DAYS OF THE END OF EACH FISCAL YEAR DURING THE TERM OF THIS AGREEMENT A PROFIT AND LOSS STATEMENT FOR SUCH FISCAL YEAR AND A BALANCE SHEET AS OF THE LAST DAY OF SUCH FISCAL YEAR, PREPARED ON AN ACCRUAL BASIS, INCLUDING ALL ADJUSTMENTS NECESSARY FOR FAIR PRESENTATION OF THE FINANCIAL STATEMENTS. SUCH FINANCIAL STATEMENTS WILL BE CERTIFIED TO BE TRUE AND CORRECT BY FRANCHISEE.

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Initial

31.12 FRANCHISEE ACKNOWLEDGES THE IMPORTANCE OF QUALITY OF BUSINESS OPERATIONS AMONG ALL FRANCHISED BUSINESSES IN OUR SYSTEM AND AGREE TO ENROLL MANAGERS, PRESENT AND FUTURE, IN TRAINING SESSIONS AS WE MAY DESIGNATE. FRANCHISOR WILL MAKE TRAINING AVAILABLE TO FRANCHISEE AND DESIGNATED MANAGER, IF APPLICABLE, AND ADDITIONAL EMPLOYEES. FRANCHISEE AND/OR MANAGER MUST ATTEND AND SUCCESSFULLY COMPLETE, TO OUR SATISFACTION, THE FAMILIARIZATION AND TRAINING PROGRAM BEFORE COMMENCING OPERATION OF THE FRANCHISED BUSINESS. THE DURATION OF THIS TRAINING PROGRAM WILL DEPEND ON EXPERIENCE, APTITUDE AND PROGRESS. THE INITIAL TRAINING, INCLUDING CLASSROOM AND IN-UNIT TRAINING, WILL RANGE FROM THREE (3) TO FOUR (4) WEEKS IN LENGTH OR UNTIL YOU ARE FULLY COMPETENT TO OPERATE AN INDEPENDENT FRANCHISED BUSINESS. THREE (3) TO FOUR (4) WEEKS WILL BE SPENT AT THE AFFILIATE FACILITY IN OMAHA, NEBRASKA AND UP TO TEN (10) DAYS AT THE FRANCHISED FACILITY. THE REQUIRED TRAINING MUST BE COMPLETE AT LEAST ONE (1) WEEK BEFORE OPENING YOUR FRANCHISED BUSINESS.

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Initial

31.13 FRANCHISEE ACKNOWLEDGES THAT APPROVAL OF PLANS TO MEET LOCAL BUILDING REQUIREMENTS INCLUDING ANY NECESSARY ARCHITECTURAL DRAWINGS IS THE SOLE RESPONSIBILITY OF FRANCHISEE. THE HIRING OF ALL CONTRACTORS TO CARRY OUT CONSTRUCTION OF THE FRANCHISED FACILITY AS WELL AS PROGRESS OF CONSTRUCTION BY ALL CONTRACTORS IS ALSO THE RESPONSIBILITY OF FRANCHISEE. USE OF THE DEVELOPMENT TIMELINE FROM THE UNIT DEVELOPMENT MANUAL IS STRONGLY ENCOURAGED BY FRANCHISOR.

____
Initial

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.

MONIPAIGEY, LLC.

By:__________________________________

Michael Nolan, President

Date:________________________________

By:__________________________________

____

Date:________________________________

By:__________________________________

____

Date:________________________________

EXHIBIT B

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is made this ____ day of ______________, 20___, by and among MoniPaigey, LLC., a Nebraska corporation (“Franchisor”), ________________________________ (“Franchisee”) and ____________________________ (“Recipient”).

RECITALS

WHEREAS:

A. Franchisor has developed and owns the rights to a proprietary business system (the “System”) for the establishment and operation of restaurant facilities ;

B. The System includes, but is in no way limited to, proprietary layout and design, operating, training, and marketing procedures and a confidential Operating Manual;

C. Franchisor has entered into a Franchise Agreement with Franchisee for the right and license to use the System and the Marks for the establishment and operation of a Sam & Louie’s™ New York Pizzeria facility (the “Franchised Business”);

D. To assist Franchisor and Franchisee with the operation of the Franchised Business, Recipient desires to receive certain information concerning the System and the Franchised Business, and Franchisor and Franchisee desire to limit access to, and maintain the confidentiality of, such information.

AGREEMENT

NOW, THEREFORE, in consideration of the disclosure by Franchisor and/or Franchisee of information concerning the System and the Franchised Business, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. This Agreement shall apply to all non-public information, whether written or oral, disclosed by Franchisor and/or Franchisee to Recipient concerning the System and/or the Franchised Business, including, but in no way limited to, information concerning customers or clients, recipes, business plans, financial information, costs, prices, concepts, ideas, techniques, processes, procedures, methods, research, data, contracts, the contents of Franchisor’s Operating Manual, and any other information which Franchisor or Franchisee informs Agents is confidential or proprietary (collectively, the “Disclosed Information”).

2. Recipient shall not use any of the Disclosed Information for any purpose other than the marketing, development, and operation of the Franchised Business, nor shall Recipient divulge any Confidential Information, directly or indirectly, to any person or entity without Franchisee’s prior written approval.

3. Recipient shall not make any copies or recordings of any Disclosed Information without Franchisee's prior written approval.

4. Recipient shall not directly or indirectly disclose any of the Disclosed Information to any person or entity not a party to this Agreement without Franchisee's prior written approval.

5. Recipient shall return the originals and all copies or recordings of any Disclosed Information to Franchisee and cease the use of all Disclosed Information within ten (10) days after written demand by either Franchisor or Franchisee.

6. Recipient agrees that Franchisor and Franchisee would be immediately and irreparably harmed by any breach of this Agreement, and monetary damages alone would not be a sufficient remedy for such breach. Franchisor and Franchisee shall be entitled to specific performance and injunctive relief as remedies for any such breach. Such remedies shall not be deemed exclusive remedies for breach of this Agreement, but shall be in addition to any other remedies permitted by law, including the award of damages and reasonable attorneys' fees.

7. In the event Recipient becomes legally compelled to disclose any of the Disclosed Information, Recipient shall provide both Franchisor and Franchisee with prompt notice of such required disclosure, the basis of the requirement, the identity of each person to whom such information is to be disclosed, and the date by which such requirement is to be satisfied, so that Franchisor and/or Franchisee may seek a protective order or other appropriate remedy. In the event such protective order or remedy is not obtained by Franchisor and/or Franchisee, Recipient shall only disclose such portions of the Disclosed Information as is necessary to satisfy Recipient's legal obligation.

8. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9. Nothing in this Agreement shall be construed to make Recipient an employee, partner, servant, or joint venturer of Franchisor for any purpose. Recipient is in no way authorized to make any contract, agreement, warranty, representation, or other obligation, express or implied, on behalf of Franchisor.

10. If any provision of this Agreement is, for any reason, invalid or unenforceable, the remaining provisions of this Agreement will nevertheless be valid and enforceable and will remain in full force and effect. Any provision of this Agreement that is held invalid or unenforceable by a court of competent jurisdiction will be deemed modified to the extent necessary to make it valid and enforceable and as so modified will remain in full force and effect.

11. The parties acknowledge and agree that all disputes arising out of this Agreement shall be subject to the exclusive jurisdiction and venue of the Nebraska state courts of Douglas County (or, in the case of exclusive federal jurisdiction, the United States District Court for the District of Nebraska) and the parties consent to the personal and exclusive jurisdiction and venue of these courts.

12. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nebraska.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

MONIPAIGEY, LLC.

By:________________________________

Printed Name: Michael Nolan

Title: President

FRANCHISEE

By:________________________________

Printed Name:________________________

Title:_______________________________

RECIPIENT

By:________________________________

Printed Name:________________________

Title:_______________________________

EXHIBIT C

Sam & Louie's

Operations

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EXHIBIT D

LIST OF STATE AUTHORITIES

California

Securities Regulation Division
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(800) 275-2677

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Rom 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Franchise Division
Office of Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Franchise Division
Office of Secretary of State
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Consumer Protection Division
Franchise Section
PO Box 30213
Lansing MI 48909

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
(651) 296-6328

New York

Franchise & Securities Division
State Department of Law
120 Broadway
23rd Floor
New York NY 10271
(212) 416-8211

North Dakota

North Dakota Securities Department
600 East Boulevard - 5th Floor
Bismarck, ND 58505
(701) 328-2910

Oregon

Corporate Securities Section
Dept. of Insurance & Finance
Labor & Industries Bldg.
Salem, OR 97310
(503) 378-4387

Rhode Island

Franchise Office
Division of Securities
233 Richmond St. - Suite 232
Providence, RI 02903
(401) 222-3048

South Dakota

Franchise Office
Division of Securities
445 E. Capitol Avenue
Pierre, SD 57501
(605) 773-4823

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington

The Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Franchise Office
Department of Financial Institutions
Securities Division
P.O. Box 1768
Madison, WI 53701
(608) 266-3364

EXHIBIT E

AGENTS FOR SERVICE OF PROCESS

Nebraska

Michael Nolan
MoniPaigey, LLC.
P.O. Box 903
2929 North 204th Street
Elkhorn, NE 68022
(833) 879-4506

Wisconsin

Franchise Office
Department of Financial Institutions
Securities Division
P.O. Box 1768
Madison, WI 53701
(608) 266-3364

If a state is not listed above, the franchisor has not appointed an agent for service of process in that state in connection with the requirements of franchise laws.

EXHIBIT F

LIST OF FRANCHISEES

Former Franchisees

During the last fiscal year, the following franchisees had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement:

Voluntarily ceased to do business:

None

A & E Realty Investments, LLC, 8561 Hickman Rd, Urbandale, IA 50322, (515)537-8361

Latitude Hospitalities, L.L.C., 1595 Grand Avenue, Billings, MT 59102, (406)281-8333

Outlet terminated:

None

Within ten (10) weeks of the date of this disclosure document, the following franchisees have not communicated with the franchisor:

None

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

Current Franchisees as of January 2023

Nebraska

Iguana Properties, LLC, 1313 West 3rd Street, Alliance, NE 69301, (308) 761-1313

MKSE Norgard, LLC, 824 10th Ave., Sidney, NE 69162, (308)203-1200

CAMP Family Enterprises, LLC, 1522 Broadway, Scottsbluff, NE, (308)633-2345

Kansas

T & R Foods, LLC, 2150 North State Street, Iola, KS (620)380-6900

Colorado

JLV Enterprises, LLC, 310 Main Street, Sterling, CO (970) 526-2550

Texas

Pam Chavez, LLC, 4117 South Staples Street, Corpus Christi, TX 78411 (361) 257-1295

EXHIBIT G

Monipaigey LLC

Statement of Revenues and Expenses - Modified Cash Basis

January - December 2022

	TOTAL	
	JAN - DEC 2022	JAN - DEC 2021 (PY)
Income		
Development	159,560.15	160,208.72
Rebate	141,033.46	153,505.07
Royalties	264,226.65	259,865.40
Total Income	**$564,820.26**	**$573,579.19**
GROSS PROFIT	**$564,820.26**	**$573,579.19**
Expenses		
Advertising & Marketing	92,729.44	106,170.17
Auto	8,272.52	7,112.58
Bank Charges & Fees	100.00	61.54
Dues & Fees	232.00	168.00
Insurance	25,815.96	21,822.96
Interest Paid	6,577.63	7,025.77
Job Supplies	79.20	63.00
Legal & Professional Services	8,442.95	8,391.46
Meals & Entertainment	9,223.88	7,640.59
Office Supplies & Software	10,465.73	6,390.29
Payroll Expenses		0.00
Taxes	12,186.72	11,994.34
Wages	157,279.92	154,796.62
Total Payroll Expenses	**169,466.64**	**166,790.96**
Postage	451.58	814.61
Rent & Lease	17,558.63	21,100.08
Rent - test kitchen	28,500.00	25,000.00
Total Rent & Lease	**46,058.63**	**46,100.08**
Repairs & Maintenance	3,039.34	982.64
Taxes & Licenses	3,362.83	2,434.20
Telephone	7,546.27	6,676.21
Travel	7,502.88	2,618.90
Utilities	8,045.44	7,097.49
Total Expenses	**$407,412.92**	**$398,361.45**
NET OPERATING INCOME	**$157,407.34**	**$175,217.74**
Other Income		
Gain on sale of assets	38,555.85	
Interest Income	37.24	15.54
PPP Forgiveness		44,415.00
Total Other Income	**$38,593.09**	**$44,430.54**

Monipaigey LLC

Statement of Revenues and Expenses - Modified Cash Basis

January - December 2022

	TOTAL	
	JAN - DEC 2022	JAN - DEC 2021 (PY)
Other Expenses		
Amortization Expense	20,830.32	20,830.32
Depreciation Expense	76,133.50	97,081.82
Total Other Expenses	**$96,963.82**	**$117,912.14**
NET OTHER INCOME	**$ -58,370.73**	**$ -73,481.60**
NET INCOME	**$99,036.61**	**$101,736.14**

Note
No assurance provided on financial statements. Substantially all disclosures omitted.

Monipaigey LLC

Statement of Assets, Liabilities and Stockholder's Equity

As of December 31, 2022

	TOTAL	
	AS OF DEC 31, 2022	AS OF DEC 31, 2021 (PY)
ASSETS		
Current Assets		
Bank Accounts		
Monipagey, LLC Main	-513.35	1,670.58
Monipagey, LLC Marketing	2,544.68	671.40
Total Bank Accounts	**$2,031.33**	**$2,341.98**
Total Current Assets	**$2,031.33**	**$2,341.98**
Fixed Assets		
Accumulated Amortization	-92,000.59	-71,170.27
Accumulated Depreciation	-186,775.48	-184,226.78
Equipment, furniture & fixtures	32,993.12	29,922.31
Intangible assets	312,455.00	312,455.00
Leasehold Improvements	11,150.00	11,150.00
Vehicle	72,306.00	82,528.95
Vehicle - 2021 Tahoe	80,439.93	80,439.93
Total Fixed Assets	**$230,567.98**	**$261,099.14**
TOTAL ASSETS	**$232,599.31**	**$263,441.12**
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
Chase Credit Card	9,470.39	2,442.50
Total Credit Cards	**$9,470.39**	**$2,442.50**
Other Current Liabilities		
Intercompany - Stone Deck	24,659.62	20,659.62
Payroll Liabilities		
Federal Taxes (941/944)	1,532.62	1,548.59
Federal Unemployment (940)	154.80	152.40
NE Income Tax	505.68	783.90
Total Payroll Liabilities	**2,193.10**	**2,484.89**
Total Other Current Liabilities	**$26,852.72**	**$23,144.51**
Total Current Liabilities	**$36,323.11**	**$25,587.01**

Monipaigey LLC

Statement of Assets, Liabilities and Stockholder's Equity

As of December 31, 2022

	TOTAL	
	AS OF DEC 31, 2022	AS OF DEC 31, 2021 (PY)
Long-Term Liabilities		
CSB Loan 700311	61,678.39	93,143.09
N/P - 2021 Tahoe	44,767.95	56,153.44
N/P - 2022 Jeep	60,062.09	
Note Payable - F150	0.00	45,273.66
Note Payable - Greg Nolan	0.00	28,500.00
Total Long-Term Liabilities	**$166,508.43**	**$223,070.19**
Total Liabilities	**$202,831.54**	**$248,657.20**
Equity		
Paid-in Capital	28,000.00	28,000.00
Retained Earnings	-13,216.08	-34,757.63
Shareholder Distributions	-84,052.76	-80,194.59
Net Income	99,036.61	101,736.14
Total Equity	**$29,767.77**	**$14,783.92**
TOTAL LIABILITIES AND EQUITY	**$232,599.31**	**$263,441.12**

Note
No assurance provided on financial statements. Substantially all disclosures omitted.

EXHIBIT H