



FRANCHISE DISCLOSURE DOCUMENT

Buck's Pizza Franchising Corporation, Inc.
(a Pennsylvania corporation)
53 Industrial Drive
P.O. Box 405
DuBois, PA 15801
(800) 310-8848
www.buckspizza.com

The franchise offered is for a license to operate a restaurant or restaurants specializing in pizza and other specialty food items.

The total investment necessary to begin operation of a single Buck's Pizza franchise is \$206,700 to \$692,500. This includes \$20,000 that must be paid to the franchisor or affiliate for the first unit.

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 other formats, contact our office at (800) 310-8848.

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

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

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

Issuance date for states not requiring registration: April 1, 2024.

How to use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Buck's Pizza business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Buck's Pizza franchisee?	Item 20 or Exhibits E and F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D. Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Pennsylvania than in your own state. Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

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Item 1

The Franchisor, and any Parents, Predecessors and Affiliates

To simplify the language in this Disclosure Document, “Buck’s” or “we” means Buck’s Pizza Franchising Corporation, Inc., the franchisor. “You” means the person who buys the franchise described in this Disclosure Document. If the person buying the franchise is a corporation, partnership, limited liability company, or other entity, “you” also includes the owners of the corporation, partnership, limited liability company or other entity. Owners of an entity that buys a franchise must sign a Personal Guaranty in the form attached to the Franchise Agreement as Exhibit A.

Buck’s is a Pennsylvania corporation that was incorporated on September 16, 1994. We do business under our corporate name. We do not do business under any other name. Our principal business address is 53 Industrial Drive, P.O. Box 405, DuBois, Pennsylvania 15801. Our agent for service of process in Pennsylvania is Krassenstein & Associates Professional Corporation, 7500 Brooktree Road, Wexford, Pennsylvania 15090. Our agent for service of process in certain other states is disclosed in Exhibit D. We do not have any predecessors. We have an affiliate, Buck’s Pizza of DuBois, LLC (“Buck’s DuBois”) which was formed on April 1, 2010 and has a principal business address of 53 Industrial Drive, P.O. Box 405, DuBois, Pennsylvania 15801.

Under this Disclosure Document, we franchise the right to operate restaurants under the name “Buck’s Pizza”. Buck’s DuBois operates two Buck’s Pizza restaurants.

Under a separate Disclosure Document, we offer franchises for area director marketing businesses in which the area director acts as our sales representative within a defined geographic area to solicit and identify prospective Buck’s Pizza franchisees and to provide support before, during, and after a Buck’s Pizza restaurant opens. We are not engaged in any business other than franchising Buck’s Pizza restaurants and area director businesses.

As a Buck’s Pizza franchisee, you will operate a Buck’s Pizza restaurant that will sell and offer delivery of pizza, sandwiches, chicken wings and tenders, pasta dishes, salads and other food items. The market for the food items you will sell is well developed.

In addition to laws and regulations that apply to businesses generally, you will be subject to specific regulations that apply to the operation of restaurants in your area, including federal, state and local health regulations. You should also be aware of federal, state and local labor regulations, including minimum-age and minimum-wage laws.

In the event of a pandemic or other public health emergency such as COVID 19, franchisees may experience significant levels of disruption in consumer demand for restaurant services, supply chain, employee availability and other aspects of operating a Buck’s Pizza franchise, as well as an impact on operating costs. Business operations may be affected by applicable laws, rules or orders of various governmental authorities in connection with any such public health emergency, including shelter-at-home edicts and mandatory restaurant closures.

If you open a Buck’s Pizza franchise, your competition will consist of other food service operations offering prepared foods to be eaten on-site, for carry-out, and for delivery to local homes and businesses.

We began selling Buck's Pizza franchises on October 24, 1994. We own and operate multiple businesses of the type to be operated by the franchisees. We have never offered franchises in any other line of business.

Item 2

Business Experience

President: Josh Benton

Josh Benton became President of Buck's on October 1, 2015. Josh Benton joined Buck's in February of 2003 and was part of the training staff. In addition to training, his role has been largely in marketing and operations. He later oversaw the building and start-up of the two corporate restaurants. Josh Benton is also a shareholder of Buck's.

Secretary/Treasurer: Nathan Benton

Nathan Benton was appointed Secretary/Treasurer of Buck's on January 1, 2023. He is also a shareholder of Buck's. Nathan Benton has been involved in training and store operations at Buck's since 1994.

Area Directors are listed on Exhibit B.

Item 3

Litigation

No litigation is required to be disclosed in this Disclosure Document.

Item 4

Bankruptcy

No bankruptcies are required to be disclosed in this Disclosure Document.

Item 5

Initial Fees

If you plan to own and operate a single Buck's Pizza restaurant, you must pay a \$20,000 Initial Franchise Fee to Buck's in a lump sum upon signing the Franchise Agreement. If you plan to own and operate more than one Buck's Pizza restaurant, you must pay an additional Initial Franchise Fee of \$15,000 to Buck's in a lump sum upon signing the Franchise Agreement for the 2nd Buck's Pizza restaurant you plan to open, and an additional Initial Franchise Fee of \$10,000 in a lump sum upon signing the franchise agreements for the 3rd and each additional Buck's Pizza restaurant you plan to open. These Initial Franchise Fees are not refundable under any circumstances.

In limited instances when a Buck's Pizza restaurant has been closed or in other similar circumstances, Buck's has the right to allow qualified franchisees to reinstate the Buck's Pizza franchise for an amount different than our standard Initial Franchise Fee. In these cases, the franchisee must pay this nonrefundable fee, if any, upon signing the then-current Buck's Pizza Franchise Agreement for the location to be reinstated.

In addition, Buck's is a member of the International Franchise Association and participates in its VetFran Program. Under the VetFran Program, we will reduce the Initial Franchise Fee by 50% if you, or a majority of the shareholders, members or partners if the franchisee is a legal entity, were honorably discharged from the U.S. Army, Navy, Air Force, Marines or Coast Guard within 5 years before signing the Franchise Agreement.

Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of BUCK'S. Accordingly, we have the right to vary the requirements for any franchisee based upon the circumstances of a particular franchisee, site or location, population density, business potential, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such franchisee's business. We are not required to grant to you a like or other variation as a result of any variation from standard operations, specifications or requirements granted to any other franchisee. BUCK'S franchisees operate under a number of different forms of agreement that were entered into at different times and, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances.

Item 6

Other Fees

Type of Fee	Amount	Due Date	Remarks
Royalty fee	5% gross sales per week per restaurant	Payable weekly on Monday of each week for prior week's gross sales	See Note 2
Late Payment	1 ½% of late payment per month	When payment is overdue	See Note 3
Transfer	\$5,000	Before transfer is effective	See Note 4
Advertising fee	0% to 2% gross sales per week per restaurant	If implemented, payable weekly on Monday of each week for prior week's gross sales	See Note 5
Audit fee	Cost of audit	Upon demand	See Note 6

Note 1. All fees listed above are imposed by and payable to Buck's. All fees are nonrefundable.

Note 2. Royalty Fee. You must pay a weekly royalty fee of 5% of gross sales of the prior week, payable on Monday of each week. "Gross sales" means the receipts from all sales at your restaurant of food products, beverages and other products and services authorized for sale by us, excluding only sales taxes and other applicable taxes, coupons and similar discounts. These fees apply for each Buck's Pizza restaurant that you operate.

Note 3. Late Payment Fee. If you fail to pay any amount that you owe us, including your royalty fee, when it is due, you will be subject to a late fee of 1 ½% per month of the amount due.

Note 4. Transfer Fee. We have the right to charge a transfer fee of \$5,000 if you sell your franchise. There is no charge if the franchise is transferred to a corporation or other entity of which you are the sole owner.

Note 5. Advertising Fee. Although there is no national advertising program in effect as of the date of this Disclosure Document, Buck's reserves the right to implement such a program at any time. If implemented, the advertising program will require you to contribute no more than 2% of gross sales on a weekly basis to a national advertising fund. The national advertising fund, if implemented, will be used to prepare and maintain national and local advertising, marketing and public relations activities. For more information concerning advertising, see Item 11.

Note 6. Audit Fee. Buck's has the right to inspect and audit your business and records at no charge to you. However, if we must make 2 inspections due to your repeated failure to comply with your franchise agreement, or if an audit reveals that you have underreported gross sales in any calendar year, you must reimburse us for our costs in connection with the inspection or audit.

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Item 7

Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ¹	\$20,000	Lump sum	At signing of Franchise Agreement	Buck's
Travel and Living Expenses while Training ²	\$1200 to \$2500	As incurred	During training	Hotels, Restaurants
Real Estate ³	\$4500 to \$18,000	As incurred	Monthly	Lessor
Equipment and Fixtures ⁴	\$100,000 to \$300,000	Lump sum	Before opening	Vendors
Leasehold Improvements ⁵	\$35,000 to \$200,000	As incurred	Before opening	Vendors, Contractors
Opening Inventory ⁶	\$10,000 to \$20,000	As incurred	Before opening	Suppliers
Insurance ⁷	\$6000 to \$12,000	Lump sum	Before opening	Insurance Company
Additional Funds (3 months) ⁸	\$30,000 to \$120,000	As incurred	As required	Employees, Suppliers, Utilities
TOTAL ⁹	\$206,700 to \$692,500			

NOTES:

1. See Item 5 for additional information about the Initial Franchise Fee. The Initial Franchise Fee is not refundable.

2. For training requirements generally, see Item 11. This estimate assumes automobile transportation to the training site. Costs of commercial transportation, if necessary, would be higher and would vary according to distance and mode of transportation. Refundability of these amounts will depend on the policies of the service providers.

3. If you do not own an adequate location for your Buck's Pizza restaurant, you must lease such a location. You will need a minimum of 1,200 square feet of space. Costs vary widely depending upon the location, size and condition of the space. Most Buck's Pizza franchisees will pay \$1500 to \$6000 per month; the estimate provided is for 3 months of rental payments. In addition, most landlords require a security deposit of at least one month's rent. Refundability of these amounts will depend upon arrangements made with your landlord.

4. You must purchase the equipment necessary to operate your restaurant. The equipment necessary will vary depending on your needs of and the territory in which your restaurant is located. All equipment must meet our specifications and be obtained only from approved suppliers. See Item 8 for additional information concerning equipment. Refundability of amounts paid for equipment will depend on arrangements made with the vendor.

5. You may incur expenses for the buildout of your restaurant. If you lease your location, you may be able to negotiate a construction allowance from your landlord that may cover some of the buildout/leasehold improvement expenses. Generally, amounts paid for these improvements are not refundable, but any refunds would be determined by the vendor or contractor.

6. You will need an initial supply of inventory such as ingredients, paper items, order forms and the like. Before opening, you must order supplies that will cost approximately \$10,000 to \$20,000. The estimate provided is for this initial supply. After opening, supplies are typically ordered weekly; their total cost over your initial 3 months of operation will range from \$31,200 to \$117,000 depending on your sales volume (see Note 8 below). All supplies and inventory must meet our standards and specifications (see Item 8). Refundability for amounts paid will depend on vendor policy.

7. Insurance costs may vary in different localities. This estimate is for 1 year of business and liability insurance coverage and worker's compensation. Refundability of premiums paid will depend on arrangements made with your insurance carrier. We recommend but do not require that any insurance policy include business interruption insurance. The estimate provided does not include the higher cost of business interruption insurance that expressly includes potential business interruption due to pandemic-related losses. We also recommend but do not require hired and non-owned insurance if you offer delivery services.

8. This is an estimate only of the range of initial start-up expenses you may incur. The amount of additional funds you will need depends on a variety of factors, including the size of your territory, your management skills, economic conditions, competition in your area, your sales volume, and other factors. This estimate includes estimated royalty payments and inventory costs for the first 3 months

your restaurant is open. The estimated cost provided does not include the cost of personal protective equipment which may be recommended or required by government regulation in the event of a future pandemic or other public health emergency.

9. There are no other direct or indirect payments to Buck's in conjunction with the purchase of the franchise. You should review these figures carefully with a business advisor before making any decision to purchase this franchise. The information provided in the Table applies to the opening of a single Buck's Pizza restaurant. If you purchase more than one franchise, the figures should be adjusted upward to reflect the number of Buck's Pizza restaurants you will open.

Item 8

Restrictions on Sources of Products and Services

You must use in the operation of your franchise only ingredients, products, cooking materials, containers, packaging materials, utensils, uniforms, menus, forms, cleaning and sanitation materials and other supplies and materials that conform to the standards and specifications we establish. We may require you to purchase these items only from approved suppliers. No franchisor officer owns an interest in any supplier.

If you want to use any ingredients, supplies or materials not previously approved by Buck's, or purchase these items from a supplier not previously approved by Buck's, you must comply with our procedures for approval. These procedures may be set forth in the Operating Manual or otherwise provided in writing. Currently, you must submit a written request to us, setting forth in detail the ingredients, supplies or materials you want to use. If you want to use a supplier not currently approved by us, you must arrange for the proposed supplier to request from us a list of our requirements for attaining the status of "Approved Vendor" and an Approved Vendor application that the proposed supplier would submit to obtain "Approved Vendor" status. We will review the supplier's application and determine whether that supplier meets our specifications for "Approved Vendor" status. Our criteria for supplier approval are available upon your written request. We will notify you, and, if applicable, the proposed supplier of our decision within 30 days of receiving your request or the proposed supplier's application. If we deny the request, we will provide the reasons for our denial. If we fail to respond within 30 days, the request will be deemed approved.

Although Buck's has not experienced disruptions to our supply chain due to unforeseen events in the past, there is no assurance that Buck's or our franchisees will not experience such disruptions in the future as a result of a pandemic such as COVID-19 or other public health emergency or other unforeseen events.

We have made arrangements with certain approved suppliers to provide products to our franchisees at favorable rates. These suppliers, who are not affiliated with Buck's, have agreed to pay Buck's a fee based on the quantity of products purchased by our franchisees. Currently Buck's receives the following rebates from approved suppliers for purchases made by our franchisees, and refunds these rebates to the franchisees: 5¢ per pound of cheese from Sofo Foods; 5¢ per pound of pepperoni; 8¢ per pound of sausage; 5¢ per pound of steak; and 50¢ per case of shells. Sofo Foods also provides a 1% rebate to Buck's on all purchases made by our franchisees, which Buck's also refunds to our franchisees. Buck's also receives the following rebates from approved suppliers for purchases made by our franchisees: \$1.00 per case of pizza sauce, and 9% of all paid invoices for pizza boxes. We do not remit rebates for pizza sauce and pizza boxes to our franchisees. Although franchisees must use only approved suppliers, they are not required to purchase only from suppliers

who pay a fee to Buck's. In 2023, our revenues from franchisee purchases and leases, including rebates, from approved suppliers was \$48,278.45. This amount represents approximately 14% of our total revenues in 2023. Our affiliate, Buck's Pizza of DuBois, LLC, did not derive any revenues from franchisee purchases or leases in 2023. Other than the rebates from purchases franchisees make from approved suppliers as described above, we do not provide any material benefit (such as renewing or granting additional franchises) to franchisees based on the purchase of particular products or services or use of approved suppliers.

You must also use in the operation of your franchise only those brands and models of equipment, fixtures, furniture, and signs that meet our specifications and are obtained from approved suppliers. Our specifications include standards for design, appearance, function, performance, serviceability and warranties. Specifications and standards are available to franchisees who submit a written request. In the year ending December 31, 2023, our revenues from the sale of equipment, uniforms and business forms to our franchisees was \$0 of our total revenues of \$408,600.03, which amount is included in the combined total revenues of \$2,762,127 of Buck's Pizza Franchising Corporation, Inc. and our affiliate, Buck's Pizza of DuBois, LLC. The cost of equipment, fixtures, furniture and signs purchased in accordance with our specifications represents approximately 50% of your total purchases in connection with the establishment of your restaurant. The cost of purchases and leases in accordance with our specifications represents approximately 36% of a franchisee's total purchases in the ongoing operation of a franchisee's restaurant. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives available to our franchisees.

Item 9

Franchisee's Obligations

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3A of Franchise Agreement	Items 6 and 11
b. Pre-opening purchases/leases	Section 3 of Franchise Agreement	Item 8
c. Site development and other pre-opening requirements	Sections 3B, 4A and 4B of Franchise Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5A and 5B of Franchise Agreement	Items 6, 7 and 11

Obligation	Section in Agreement	Disclosure Document Item
e. Opening	Section 3D, 3E and 3F of Franchise Agreement	Item 11
f. Fees	Sections 4 and 10 of Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Sections 6 and 7 of Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 7, 9, 12 and 15 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Section 6C of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Section 6E of Franchise Agreement	Item 11
k. Territorial development and sales quotas	None	
l. Ongoing product/service purchases	Section 6D of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 6A of Franchise Agreement	Item 11
n. Insurance	Section 6I of Franchise Agreement	Item 7
o. Advertising	Section 10 of Franchise Agreement	Items 6 and 11
p. Indemnification	Section 18 of Franchise Agreement	Item 6
q. Owner's participation/management/staffing	Section 5C and 6F of Franchise Agreement	Items 11 and 15

Obligation	Section in Agreement	Disclosure Document Item
r. Records/reports	Section 11 of Franchise Agreement	Item 6
s. Inspections/audits	Section 13 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 16 of Franchise Agreement	Item 17
u. Renewal	Section 2B of Franchise Agreement	Item 17
v. Post-termination obligations	Section 15 of Franchise Agreement	Item 17
w. Non-competition covenants	Section 15E of Franchise Agreement	Item 17
x. Dispute resolution	Section 17 of Franchise Agreement	Item 17

Item 10

Financing

We do not offer financing arrangements to franchisees or arrange financing from other sources. We do not receive any direct or indirect payments for placing financing, nor do we guarantee your obligations to third parties.

Item 11

Franchisor's Assistance, Advertising, Computer Systems, and Training

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

Pre-Opening Obligations. Before you open your business, we or our designee will:

1. Designate your exclusive territory (Franchise Agreement, Section 2A). You select your business site within your exclusive territory.

2. Assist you in site selection by providing you with guidelines concerning local competition, population density, and typical lease costs in your area. We must approve any lease for your location before you sign it (Franchise Agreement, Section 3A). In the event we cannot agree on your location after making good faith efforts to do so, we have the option in our sole discretion to terminate the franchise agreement and refund to you any fees paid. We generally reserve 30 days to review and approve or disapprove a proposed site for your restaurant.

3. Provide written specifications and a list of approved suppliers and vendors for the equipment, fixtures and furniture to be used in your restaurant (Franchise Agreement, Section 3C). We do not deliver or install equipment or fixtures for our franchisees.

4. Before, or within 6 months after you open your business, furnish an initial training program as described below in this Item 11 (Franchise Agreement, Section 5A).

5. Provide a representative to assist you with opening your business for such period of time as we deem necessary (Franchise Agreement, Section 3D).

6. Lend you 1 copy of our Operating Manual that contains mandatory and suggested specifications, standards and procedures for operating your restaurant. This manual is confidential and remains our property. We may modify this manual, but the modification will not alter your status and rights under the Franchise Agreement. (Franchise Agreement, Section 7). No modification of the Operating Manual will be made which would impose an unreasonable economic burden on you, or unreasonably increase your obligations, unless such modifications are required by law in the event of a pandemic or other public health emergency.

Typical length of time before opening. Franchisees typically open their businesses within 30 to 90 days after they sign a Franchise Agreement. The factors that affect this time period are the ability to obtain a lease; ability to obtain financing; ability to obtain building, zoning or other permits; compliance with local ordinances and restrictions; weather conditions; availability, delivery and installation of equipment, fixtures, and signs; and completion of required training.

Continuing Assistance. During the operation of the franchised business, we or our designee will:

1. Provide assistance and on the job training to you in operating your restaurant. This training consists of demonstrating all aspects of the operation of your restaurant and such other assistance and training as we think necessary to ensure the smooth opening and initial operation of your restaurant. BUCK'S shall provide such operational and promotional supervision and assistance to you at BUCK'S headquarters in DuBois, Pennsylvania as BUCK'S shall deem appropriate in connection with the opening of your restaurant. We are not obligated to provide this assistance to you for a specific period of time. (Franchise Agreement, Section 5B).

2. Suggest retail prices for items to be sold at your restaurant. However, you have the sole right to determine the prices actually charged. (Franchise Agreement, Section 6H).

3. Provide access to additional training at times, places and fees determined by us. (Franchise Agreement, Section 5A). Currently we do not have regularly scheduled additional training programs that must be attended by franchisees. At present, attendance at additional training is optional.

Advertising Programs. Buck's will make available to you advertising materials that we prepare internally. Materials available through us include newspaper and mailer inserts, banners, and

coupons. We determine the cost of these items. You may develop advertising materials for your own use, at your own cost. These advertising materials must be completely factual and must conform to the highest standards of ethical advertising. You are not required to seek our approval before using most advertising materials you develop; provided, however, that any website you develop to promote or advertise your Buck's Pizza restaurant will be subject to our prior approval as described below. Any website will be deemed "advertising" under the Franchise Agreement and will be subject to our prior written approval and compliance with all provisions of the Franchise Agreement concerning use of our trademarks. The term "website" means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate and that refers to Buck's Pizza and/or the Buck's Pizza system for doing business. This includes internet use and world wide web home pages. In connection with any website, you will be subject to the following rules: (i) you must submit to us a sample of the website format and information, including proposed electronic links to other websites, in the form and manner we may reasonably require, before you establish the website and make it available for public viewing and use; (ii) you must comply with our standards for websites as set forth in our operating manual or otherwise in writing; (iii) you must submit any proposed material revisions to your website, including electronic links to other websites, to us for our prior written approval; (iv) if we so request, you must establish your website as part of our website and/or establish electronic links to our website; and (v) immediately upon the termination or expiration of the Franchise Agreement for any reason, you must immediately take all necessary or appropriate action to remove all references to Buck's Pizza, the franchised business and/or our trademarks, and take all other action reasonably requested by us to inform the public that you are no longer associated with Buck's Pizza. This action may include changing the URL of your website to automatically forward public users to the Buck's Pizza website.

Buck's does not currently maintain a national advertising program and does not require franchisees to make contributions to any such fund. However, we reserve the right to implement a national advertising program and may require franchisees to make regular contributions to a fund established under such a program. If a national advertising fund is implemented, we will administer and maintain the fund with our sole discretion over the creative concepts, materials, endorsements, frequency, and type of media, and the placement and allocation of fund resources. The advertising fund will be used to meet all costs of maintaining, administering, directing and preparing national, regional or local advertising materials, programs and public relations activities, including the costs of preparing and conducting television, radio, magazine, billboard, newspaper, speeches, public appearances, trade shows, and video and audio tapes, and other media programs and activities. The advertising fund may be used to employ advertising agencies, public relations firms and individuals, as well as marketing and management consultants and specialists to assist you with all aspects of the advertising and marketing efforts of the Buck's Pizza system. We do not promise that expenditures from the advertising fund will be proportionate or equivalent to your contribution or that any Buck's Pizza franchisee will benefit directly or pro rata from this fund. (Franchise Agreement, Section 10).

The advertising fund, if implemented, may collect fees from all franchisees who sign Franchise Agreements on or after the date of this Disclosure Document. If implemented, the advertising fund will be accounted for separately from the other funds of Buck's, and all payments to the advertising fund must be spent on advertising, promotion, development, public relations, administration and marketing of goods and services. If a national advertising fund is implemented, Buck's does not intend to expend funds from the advertising fund for the promotion of franchise sales. We may spend in any fiscal year an amount greater or less than the actual contributions in that year and we may make interest-bearing loans to the advertising fund to cover any deficits of the fund and

cause the fund to invest any surplus for future use. We do not promise to audit the fund. If you wish to obtain a periodic accounting once the fund is implemented, you must submit a written request to us. Within 30 business days of receiving your request, we will provide an unaudited financial statement indicating how amounts contributed to the fund have been spent. You may be required to contribute the amounts described in Item 6.

Electronic Cash Registers and Computer Systems. We suggest you use in the operation of your restaurant the computer hardware and software that we periodically specify and require. Currently, we require you to use the PrISM™ for Windows cash register and point-of-sale (“POS”) system (the “System”) available through Microworks POS Solutions, Inc. (“MPSI”). You will use the System for functions such as recording sales transactions, delivery mapping, accounting, business management, reporting, word processing and e-mail. We have not approved any comparable equivalent computer and POS system. The System can be purchased from MPSI at 2112 Empire Boulevard, Suite 2A, Webster, NY 14580; contact Tim Frieda at 800-787-2068 x 120. The current cost of purchasing the System is approximately \$17,400. You must also secure a high-speed internet connection. MPSI provides a user-support contract for a monthly subscription fee. This service is currently free for the first 12 months and \$80 per month thereafter. This fee is subject to change at MPSI’s discretion. We also recommend Web-Ordering (\$100/month), Hosted StoreNet (\$65/month), and Mapping Service (\$13/month). Periodic software upgrades are also available from MPSI at a current cost of \$100 per POS station. The upgrade fee is also subject to change at the discretion of MPSI. We recommend, but do not require, that you purchase a user-support contract. We may, at our discretion, require you to upgrade the cash register/POS system at your expense in order to bring your restaurant into compliance with our system standards. We have the right, as often as we deem appropriate, including on a daily basis, to access the computer systems that you must maintain in connection with the operation of your restaurant and to retrieve all information relating to your restaurant. There are no contractual limitations on our right to access data. (Section 6E, Franchise Agreement)

Operating Manual. The table of contents of the Operating Manual is attached as Exhibit G. The total number of pages in the Operating Manual is 53.

Training Program.

Before the restaurant opens, we will provide initial training on operating a Buck’s Pizza restaurant to you and up to 2 of the restaurant’s managers and/or assistant managers. We will train you for approximately 3 weeks at our headquarters in DuBois, Pennsylvania, although training may be longer depending on the attendees’ skills, experience and needs. This initial on-the-job training is mandatory and must be attended by the franchisee and its principals. The initial on-the-job training program may commence at any time after you sign the Franchise Agreement, and must be completed to our satisfaction prior to the day when your restaurants opens to the public for business.

We will help you and provide you on-site support at the restaurant for up to 2 weeks during its opening period.

In addition to the initial training program, your initial franchise fee entitles you to an additional classroom training program, which we will provide at any time at your request. The duration of the classroom training is one day. All classroom training takes place at our

headquarters in DuBois, Pennsylvania. You must pay all of your own travel and living expenses incurred in attending this training.

In addition to the initial training program, we may also provide periodic training classes for franchisees at a cost we will determine, at any time before or after your restaurant opens to the public for business. We reserve the right to require you to attend any such periodic training courses, and you must pay all your own travel and living expenses incurred in attending such training, as well as our cost of providing such training. In addition to training provided by Buck's, you will be responsible for meeting the food safety education and certification requirements in your local area, including all costs and fees involved in meeting those requirements. In most locations, such requirements may be met through the ServSafe® certification programs provided by the National Restaurant Association Educational Foundation. We reserve the right to modify our initial training program and any ongoing training, whether in the classroom or on-site, to comply with all applicable government laws, regulations and guidelines in the event of a pandemic such as COVID-19 or other public health emergency.

Our training program is conducted by Nathan Benton, Joshua Benton, and our management team. Nathan Benton has been involved in various aspects of pizza restaurant operations since 1985 and has accumulated experience in all training categories. Nathan has advised, trained and assisted others in all areas of operation, including management of employees, cost of goods and all other operational aspects of the restaurant. Nathan has been responsible for oversight of operations of our Benton family-owned locations since 2010. Joshua Benton has a degree in civil engineering and worked in that field until joining Buck's Pizza in February of 2003. Joshua has been involved in training Buck's Pizza franchisees since 2003. Joshua has been involved in every aspect of our Benton family-owned locations since 2010.

Training materials consist of our Operating Manual, our instructional wall charts, demonstrations, hands-on practice, instruction in the use of our recommended POS system (including sales, reporting, inventory, fraud detection, and cash control), and various other materials.

As of the date of this Disclosure Document, our initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training (OPTIONAL)	Hours of On-The-Job Training	Location
Labor -Scheduling -Cost Control	1	5	DuBois, PA headquarters
Food Cost -Food preparation -Cost controls -Portioning -Purchasing	2.5	45	DuBois, PA headquarters

Subject	Hours of Classroom Training (OPTIONAL)	Hours of On-The-Job Training	Location
-Receiving -Waste & pilferage -Pricing			
General Operation of Restaurant -Product flow -Equipment -Maintenance -Store cleanliness -Monthly P&Ls -Customer complaints -100% money back +\$1	1	45	DuBois, PA headquarters
Marketing and Advertising -Point of sale material -Doorhanging -Direct mail -Marriage mail -E-mail marketing -Electronic marketing -Catering -Community involvement -Nupp printing	1	5	DuBois, PA headquarters
Store Policies -Uniform policy -Meal policy -General policies -Anti-harassment policy -Equal opportunity policy -Employment of minors	1	1	DuBois, PA headquarters
Total Hours	6.5	101	Combined total hours: 107.5

Item 12

Territory

You will receive an exclusive territory. Your territory is determined by us based on various factors including geography, population density, political borders, and ability to deliver to patrons in the area. Your ability to deliver to patrons in the area is determined by population density, traffic patterns and the amount of time necessary to deliver orders. There is no minimum territory.

You will operate from a single location within your territory. You will select the location for your restaurant but we must approve the location you select and any lease for the location. You must obtain our approval before relocating. We will approve the relocation of your restaurant if you are

incompliance with the franchise agreement, the proposed new location meets our then-current site selection criteria, and you bear the cost of relocation. As long as you are not in default under your franchise agreement, we will not operate restaurants or grant franchises for a similar or competitive business using our trademark within your territory. We are not restricted from establishing other franchises or company-owned outlets or other channels of distribution, including the internet, selling similar products or services in your territory under a different trademark. However, we have no plans to do so at this time. We need not provide compensation to you in the event we solicit or accept orders within your territory under a different trademark. You will not be restricted in soliciting sales or accepting orders from any area or category of customer. You do not receive the right to acquire additional franchises within your territory.

There is no minimum sales quota. So long as you are not in default under your Franchise Agreement, you will retain rights to your territory even if the population increases.

Item 13

Trademarks

Buck's grants you the non-exclusive right to operate a restaurant under the name "BUCK'S PIZZA". You may also use our other current or future trademarks to operate your restaurant. By "trademark", Buck's means trade names, trademarks, service marks, logos and other commercial symbols used to identify your restaurant. The following Marks are registered with the U.S. Patent and Trademark Office on the principal register and we intend to file all additional required affidavits and declarations in due course:

Name or Mark	Serial Number	Registration Number	Registration Date	Renewal Date
Buck's Pizza	77026166	3305385	October 9, 2007	February 6, 2017
Buck's Pizza	74692313	2082092	July 22, 1997	January 26, 2017

You must follow our rules when you use our trademarks. You cannot use our trademarks as part of a corporate name, internet domain or e-mail name, or with modifying words, designs or symbols. You may not use our trademarks in connection with the sale of any unauthorized product or service or in any other manner not authorized by us in writing. Your usage of our trademarks and any goodwill established by your use is to our exclusive benefit and you retain no right in our trademarks when the franchise is terminated or expires.

There are no currently effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the Trademark Administration of this state or of any court of which we are aware concerning our trademarks. We are not aware of any pending infringement, opposition or cancellation or pending material litigation involving our trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks in a manner material to the franchise.

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks. We will take the action we think appropriate. If we decide to take action to

enforce our rights to the trademarks, we have the right to control the litigation or administrative proceedings involved, and you must cooperate with us in the proceedings. If we do not decide to take this action, we may, in our discretion, authorize you in writing to institute such action. If you initiate such action, you must do so at your own expense. The Franchise Agreement does not require us to participate in your defense, to protect your right to use our trademarks, to protect you against claims of infringement or unfair competition that may arise out of your use of our trademarks, or to indemnify you for expenses or damages if you are made a party to a proceeding involving our trademarks. You must modify or discontinue the use of our trademarks if we modify or discontinue them, and we have the right to require you to adopt and use different trademarks. You will not have any right to compensation or otherwise under the Franchise Agreement if we require you to modify or discontinue using our trademark.

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks, except as follows:

William E. Buchholz, 219 Cottage Grove Road, Madison, Wisconsin 53716 is currently doing business as Buck's Pizza at 219 Cottage Grove Road, Madison, Wisconsin. Mr. Buchholz registered the trademark "Buck's Pizza" with the state of Wisconsin effective July 2, 1997. Although the Wisconsin trademark registration is no longer in effect, the Buck's Pizza location operated by Mr. Buchholz remains open in Madison. We believe that our federally registered principal trademark gives us the right to use the Buck's Pizza name in the state of Wisconsin outside the area in which Mr. Buchholz originally conducted business. We are not currently marketing franchise opportunities or selling franchises in Madison, Wisconsin.

Item 14

Patents, Copyrights, and Proprietary Information

No patents or copyrights are material to the franchise. We consider the Operations Manual, recipes, and related materials to be proprietary and confidential, to be used only as described in the Franchise Agreement. We claim copyrights in the Operations Manual, advertising and marketing materials, and similar items used in operating the franchise. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so to protect them. You may use these items only as we specify while operating your franchise (and must stop using them if we so direct you).

Item 15

Obligation to Participate in the Actual Operation of the Franchise Business

You, or a qualified manager hired by you, must conduct the day-to-day operations of your restaurant. You must, even if you hire a manager for your restaurant, thoroughly familiarize yourself with the standards and methods of operating your restaurant, and you must complete our mandatory training program as described in Item 11. You must not rely on the efforts of others in order to derive profit from your restaurant. If you hire management personnel to conduct the day-to-day operations of your restaurant, such personnel must sign a Confidentiality Agreement in the form attached as Exhibit B to the Franchise Agreement. If you are a corporation, limited liability company or partnership, we do not require that your management personnel own an equity interest in the entity.

Item 16

Restrictions on What the Franchisee May Sell

You must offer all menu items and services that we designate as required for all franchisees. We have the right to add additional menu items and services that you must offer. There are no limits on our right to add these additional menu items and services. You may not offer for sale any product or services that we have not approved. You are not restricted from soliciting any customers, no matter who they are or where they are located.

Item 17

Renewal, Termination, Transfer, and Dispute Resolution

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2A	Term is 10 years.
b. Renewal or extension of the term	Section 2B	If you are in good standing you can add additional term of 10 years.
c. Requirements for franchisee to renew or extend	Section 2B	Sign new agreement and general release, 6 months renewal notice, maintain restaurant location, have timely satisfied all obligations during term (including payments). If you seek to renew your franchise, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by franchisee	Section 14A	Only if you are in good standing and we breach and do not cure within 30 days after written notice.
e. Termination by franchisor without cause	None	Not applicable.
f. Termination by franchisor with cause	Section 14B	If you default, as specified.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Section 14B	You have 30 days to cure failure to pay sums due, certain other defaults, and failure to comply with Operating Manual.
h. "Cause" defined – non-curable defaults	Section 14B	Insolvency or bankruptcy, violation of in-term no compete, conviction of a felony, trademark misuse, failure to operate restaurant, cancellation of lease, failure to pay royalty fees, violation of health laws, unauthorized assignment or disclosure, material misrepresentation on application, repeated defaults, even if cured.
i. Franchisee's obligations on termination/nonrenewal	Section 15	Obligations include complete deidentification, payment of amounts due, return of confidential information and telephone numbers, cancellation of fictitious names using the Marks, removal or assignment of internet presence.
j. Assignment of contract by franchisor	Section 16A	No restriction on our right to assign. No assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume our obligations under the Franchise Agreement.
k. "Transfer" by franchisee-defined	Section 16B	Includes transfer of franchise or assets or ownership change.

Provision	Section in Franchise Agreement	Summary
l. Franchisor approval of transfer by franchisee	Sections 16B, 16C, 16D	We have right to approve all transfers but will not unreasonably withhold approval of transfer to corporation majority-owned by you or to a qualified new franchisee if our conditions (see m. below) are met.
m. Conditions for franchisor approval of transfer	Section 16C, 16D	New franchisee qualifies and signs new agreement; transfer fee paid; general release; landlord consent; remodeling.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16E	We can match any offer for your franchised business.
o. Franchisor's option to purchase your business	Section 15F	We have option to purchase your restaurant's assets upon termination or expiration of Franchise Agreement.
p. Death or disability of franchisee	Section 16B	No transfer by reason of death without our prior written approval.
q. Non-competition covenants during the term of the franchise	Sections 9 and 15E	No involvement in competing business without our prior written approval; you may not disclose or use our trade secrets at any time except to operate Buck's Pizza restaurants.
r. Non-competition covenants after the franchise is terminated or expires	Section 15E	No competing business for 2 years within 5 miles of your restaurant or any other Buck's Pizza restaurant; you may not disclose or use our trade secrets at any time after termination or expiration.
s. Modification of the agreement	Section 19E	No modifications generally, but Operating Manual subject to change.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 19F	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	Not applicable
v. Choice of forum	Section 17B	Franchisor must litigate in Allegheny County, Pennsylvania.
w. Choice of law	Section 17B	Pennsylvania law applies.

Item 18

Public Figures

Buck's does not use any public figure to promote its franchise.

Item 19

Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides that 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Joshua Benton, President, Buck's Pizza Franchising Corporation, Inc., 53 Industrial Drive, P.O. Box 405, DuBois, Pennsylvania 15801, (800) 310-8848, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

**Outlets and Franchisee Information
Statewide Outlet Summary
For years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	14	10	-4
	2022	10	10	0
	2023	10	9	-1
Company- Owned*	2021	3	3	0
	2022	3	2	-1
	2023	2	2	0
Total Outlets	2021	17	13	-4
	2022	13	12	-1
	2023	12	11	-1

* Outlet is owned by our affiliate, Bucks DuBois.

**Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For years 2021 to 2023**

State	Year	Number of Transfers
Georgia	2021	0
	2022	0
	2023	0
South Carolina	2021	0
	2022	0
	2023	1
Texas	2021	0
	2022	1
	2023	0
Total	2021	0
	2022	1
	2023	1

**Status of Franchised Outlets
For years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Minnesota	2021	1	0	0	1	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New York	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Texas	2021	5	0	0	0	0	2	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
Wisconsin	2021	1	0	0	1	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	14	0	0	2	0	4	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	1	9

**Status of Company-Owned Outlets
For years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Pennsylvania	2021	3	0	0	0	0	3
	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2
Total	2021	3	0	0	0	0	3
	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2

Projected Openings as of December 31, 2024

State	Franchise Agreement Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Total	0	1	0

The names of all franchisees as of December 31, 2023, and the addresses and telephone numbers of their restaurants are listed on Exhibit E to this Disclosure Document. The name and last known home address and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during fiscal year 2023 or who has not communicated with us within 10 weeks of the date of this Disclosure Document is listed on 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.

During the past three fiscal years, we have not signed any confidentiality clauses with current or former franchisees restricting their ability to speak openly about their experience with us or with the Buck's Pizza franchise system.

In some instances in the future, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with us or with the Buck's Pizza franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees may be able to communicate with you.

No independent franchisee organizations have asked to be included in this Disclosure Document. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the franchise system that have been created, sponsored or endorsed by us.

Item 21

Financial Statements

Attached hereto as Exhibit C to this Disclosure Document are our audited financial statements for the fiscal years ending December 31, 2023, 2022 and 2021 respectively.

Item 22

Contracts

Attached are copies of the following agreements relating to the offer of the franchise:

Exhibit A: Franchise Agreement and the following Exhibits to the Franchise Agreement:

Exhibit A: Personal Guaranty

Exhibit B: Confidentiality Agreement

Exhibit C: Conditional Assignment of Telephone Number, Telephone Listings and Internet Presence

Item 23

Receipts

The last page of the Disclosure Document (following the exhibits and attachments) is a document acknowledging receipt of the Disclosure Document by you (one copy for you and the other copy to be signed and returned to us).

Buck's Pizza Franchising Corporation, Inc. FDD

EXHIBIT A

FRANCHISE AGREEMENT

BUCK'S PIZZA FRANCHISING CORPORATION, INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made by and between BUCK'S PIZZA FRANCHISING CORPORATION, INC., a Pennsylvania corporation ("BUCK'S") and

_____,
whose principal address is

_____ ("Franchisee")
and shall become effective as stated in Section 2A hereof.

1. PREAMBLES

BUCK'S has developed a concept of restaurants specializing in the sale of pizza, submarine sandwiches, pasta dishes, chicken wings and tenders, salads, beverages and other items by carry-out, home delivery and sometimes dine-in, which are operated with uniform formats, signs, equipment, layout, systems, methods, procedures and designs, and are known as "BUCK'S PIZZA" restaurants. BUCK'S is the sole owner of the right, title and interest together with all goodwill associated with the trade name and service mark "BUCK'S PIZZA" and associated logos and such other trademarks, service marks, logos and commercial symbols as may be designated by BUCK'S in writing (the "Marks"). BUCK'S has developed through the expenditure of considerable money, time and effort, a body of knowledge pertaining to the establishment and operation of such restaurants using proprietary recipes, formulas, food preparation procedures, business methods and policies. Franchisee acknowledges that it does not presently know these recipes, formulas, food preparation procedures, business methods or policies, nor does Franchisee have access to such body of knowledge. BUCK'S grants to qualified persons franchises to own and operate such restaurants offering the products and services authorized and approved by BUCK'S and utilizing its business systems, formats, methods, specifications, standards, operating procedures, operating assistance and Marks. Franchisee has applied to BUCK'S for a franchise to operate a restaurant within the territory as defined in Section 2.A. hereof and to use the Marks in the operation thereof. Such application has been approved by BUCK'S in reliance upon all of the representations made therein.

Franchisee understands the risks of being in business and the risks of operating a Buck's Pizza franchise, and is able to bear such risks. Franchisee acknowledges that the success of the business to be operated by it under this Agreement depends primarily upon its efforts and abilities and the services of those it chooses to employ. Other factors beyond the control of either Franchisee or BUCK'S affecting success include, but are not limited to, competition, interest rates, economic conditions, government policies, weather, consumer trends, inflation, labor costs, lease terms, market conditions, and other conditions which may be difficult to anticipate, assess or identify.

BUCK'S expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any oral, written or visual representation or projection, warranty or guarantee, express or implied, as to the actual or projected sales, revenues, profits or potential for success of the business venture contemplated by this Agreement. Franchisee acknowledges that it has received and read this Agreement and BUCK'S Franchise Disclosure Document ("FDD"), including exhibits, and that it has no knowledge of any representations by BUCK'S or its officers, directors, shareholders, employees or agents that are contrary to the statements made in BUCK'S FDD or to the terms herein.

2. GRANT AND RENEWAL OF FRANCHISE

A. Grant of Franchise; Term

Subject to the provisions of this Agreement, BUCK'S hereby grants to Franchisee, and Franchisee hereby accepts, the right to operate a BUCK'S PIZZA restaurant (the "Restaurant"), and further grants to Franchisee an exclusive license to use the Marks in the operation thereof within the boundaries of _____ (the "Territory") for a term of ten (10) years, commencing on the date this Agreement is signed by BUCK'S (the "Term"). Franchisee acknowledges that BUCK'S retains the exclusive, unrestricted right to engage, directly or indirectly, at any location or trading area outside the Territory, in the sale, operation, licensing, production and distribution of BUCK'S PIZZA restaurants, whether franchised or company-owned, or otherwise, under the Marks licensed herein or other marks. The rights granted to Franchisee from BUCK'S pursuant to this Agreement, including the license of the Marks, shall be known as the "Franchise". Termination or expiration of this Agreement shall constitute the termination or expiration of the Franchise.

B. Renewal of Franchise

Franchisee shall have the right to renew the Franchise for an additional term of ten (10) years, subject to satisfaction of each of the following conditions:

(i) Franchisee shall have demonstrated to BUCK'S satisfaction its ability to maintain possession of the premises on which the Restaurant is located pursuant to an extension or renewal of the lease for the Restaurant;

(ii) Franchisee shall give written notice to BUCK'S not less than six (6) months in advance of the expiration of the Term of its desire to renew the Franchise;

(iii) Franchisee shall have fully paid or otherwise satisfied, on or before the date of notice to BUCK'S, and shall continue to pay or otherwise satisfy up to the last day of the Term, all monetary obligations owed by Franchisee to BUCK'S, including, but not limited to, payment of all Royalty Fees (as hereinafter defined), and other invoices, and has timely met its payment obligations throughout the Term;

(iv) Franchisee shall have complied with or satisfied all of its other obligations under this Agreement on a timely basis throughout the Term;

(v) Franchisee shall sign the current form of Franchise Agreement then in use by BUCK'S for new franchisees, which may have terms which differ substantially from those contained in this Agreement including, but not limited to, higher Royalty Fees, as well as other agreements then in use in the renewal of franchises, if any; and

(vi) Franchisee and its owners (if applicable) shall execute a general release, in form satisfactory to BUCK'S, releasing BUCK'S and each of its affiliates, officers, directors, shareholders, employees and agents from any liability which has arisen or may arise out of or in connection with this Agreement or the Franchise.

In the event of the failure by Franchisee to satisfy any of the foregoing conditions, BUCK'S shall have the right, in the exercise of its sole and absolute discretion, to determine whether Franchisee shall be entitled to renew the Franchise. Such determination shall be communicated to Franchisee not less than ninety (90) days prior to the expiration of the Term. This option to renew is personal to Franchisee and may not be exercised by any other person or entity without the prior written consent of BUCK'S.

3. DEVELOPMENT AND OPENING OF RESTAURANT

A. Restaurant Lease

Franchisee owns, has leased or will lease the premises on which the Restaurant will be located. Such lease or any new lease for any substitute premises or any renewal lease shall: (i) be subject to BUCK'S prior written approval; (ii) not be inconsistent with the terms hereof; (iii) not create any rights against or obligations of BUCK'S; (iv) be freely assignable or transferable to BUCK'S without an increase in rent or other charges; (v) provide that the lessor thereunder shall give BUCK'S notice of any default concurrently with the giving thereof to Franchisee; and (vi) be delivered in executed form to BUCK'S within five (5) days after such execution. Franchisee shall not execute a lease which has for any reason been disapproved by BUCK'S. Franchisee's execution of a lease or sublease for, or purchase of, a site for the Restaurant shall constitute acceptance by Franchisee of such site and location and of the terms of such lease, sublease or purchase and a waiver of any claim or rights against BUCK'S relating to the choice of such site and location or the terms of such lease, sublease or purchase agreement. Franchisee acknowledges that BUCK'S approval of a proposed site and any information furnished to Franchisee regarding any proposed site shall not constitute a representation or warranty of any kind, express or implied, as to the suitability of the proposed site for a BUCK'S PIZZA restaurant, and BUCK'S approval of such site merely indicates that the site meets the current standard site selection criteria. Franchisee further acknowledges that its acceptance of a license for a BUCK'S PIZZA restaurant at the proposed site shall be based upon its own independent investigation of the suitability of such proposed site.

B. Development of Restaurant

Franchisee shall, promptly after obtaining possession of the premises of the Restaurant, do or cause to be done the following:

(1) obtain all required building, driveway, utility, sign, health, sanitation and business permits and licenses and any other required permits and licenses;

(2) construct any required improvements to the premises and decorate the premises in compliance with all applicable ordinances, building codes, and permit and lease requirements and restrictions and plans and specifications approved by BUCK'S; and

(3) purchase and cooperate with BUCK'S in the installation of all equipment, fixtures, furniture and signs required for the Restaurant.

C. Equipment, Fixtures, Furniture and Signs

Franchisee shall use in the operation of the Restaurant only those brands and models of equipment, fixtures, furniture, and signs that BUCK'S has approved for Restaurants as meeting its

specifications and standards. Specifications may include minimum standards for design, appearance, function, performance, serviceability and warranties. Franchisee shall place or display at the premises of the Restaurant (interior and exterior) only such signs, emblems, lettering, logos and display materials that are from time to time approved in writing by BUCK'S. Franchisee shall purchase approved brands and models of equipment, fixtures, furniture and signs only from approved suppliers, including BUCK'S where applicable. If Franchisee proposes to purchase any brand and/or model of equipment, fixture, furniture or sign that is not then approved by BUCK'S, or from a supplier that is not then approved by BUCK'S, Franchisee shall first notify BUCK'S and shall submit to BUCK'S upon its request sufficient specifications in writing, photographs, drawings and/or other information or samples for a determination by BUCK'S of whether such brand and/or model of equipment, fixture, furniture or sign complies with its specifications and standards, which determination shall be made and communicated to Franchisee within a reasonable time. BUCK'S shall have the right to charge Franchisee a reasonable fee to cover the expenses incurred by it in connection with any such testing or inspection.

D. Restaurant Opening

Franchisee shall open the Restaurant for business within forty-five (45) days after Franchisee obtains possession of the premises. BUCK'S shall supply its representative to assist Franchisee in the opening of the Restaurant for such period of time as BUCK'S, in its sole discretion, shall deem necessary.

E. Relocation

If during the Term of the Franchise the Restaurant premises is rendered unusable through no fault of Franchisee, BUCK'S will grant Franchisee permission to relocate the Restaurant provided: (i) the proposed new location is within Franchisee's Territory and otherwise meets BUCK'S then current site selection criteria; (ii) Franchisee is not in default of any of its obligations hereunder; and (iii) Franchisee bears the costs of the relocation. If Franchisee is granted permission to relocate, Franchisee will begin operation at the new location within a reasonable time but not more than six (6) months after receiving permission to relocate.

F. Termination for Failure to Develop or Open Restaurant

If Franchisee fails to develop or open the Restaurant as hereinabove provided, BUCK'S shall have the right to terminate this Agreement, effective upon delivery to Franchisee of written notice of termination.

4. FEES

A. Initial Franchise Fee

Franchisee shall pay to BUCK'S a nonrecurring and non-refundable initial franchise fee for the Franchise in the amount of Twenty Thousand Dollars (\$20,000.00) (the "Initial Franchise Fee"). Payment of the Initial Franchise Fee shall be due upon the signing of this Agreement by Franchisee.

B. Royalty Fee

(1) Franchisee shall pay BUCK'S a royalty fee (the "Royalty Fee") of five percent (5%) of gross sales per week during the Term of this Agreement. Royalty Fee payments under this paragraph shall be due and payable on Monday of each week for the preceding week's gross sales.

(2) For purposes of this Agreement, "gross sales" shall mean all sales or other revenues, including delivery, by or at the Restaurant, excluding any sales taxes and other applicable taxes, coupons and similar discounts. All Royalty Fees are nonrefundable and shall be paid without setoff.

C. Interest on Late Payments

All royalty fees and any other amounts due for products purchased by Franchisee from BUCK'S or any affiliate of BUCK'S, and all other amounts owed to BUCK'S by Franchisee pursuant to this Agreement, shall bear interest after their due date at a rate of one and one-half percent (1-1/2%) per month or the maximum legal rate, whichever is less.

D. Nonrefundable Fees

The Initial Franchise Fee shall be deemed fully-earned and nonrefundable in consideration for BUCK'S execution of this Agreement, for expenses incurred by BUCK'S and for BUCK'S lost or deferred opportunity to offer and sell the Franchise to others.

E. Electronic Funds Transfer

BUCK'S reserves the right to require Franchisee to make payments of fees under this Agreement by electronic funds transfer. In the event that BUCK'S requires electronic funds transfer, Franchisee will continue to provide sales reports as required by BUCK'S, but will either initiate fee payments to BUCK'S through electronic means selected by BUCK'S or, at BUCK'S option, authorize BUCK'S to initiate debit entries to Franchisee's designated bank account. Franchisee agrees to make adequate funds available in the designated bank account no later than the due date for the required fees and to execute such other documents as reasonably requested by BUCK'S to facilitate electronic funds transfer.

5. TRAINING

A. Training of Franchisee; Completion of Training Program

Prior to the opening of the Restaurant, BUCK'S shall furnish, and Franchisee or its principals shall enroll in, attend and complete to the satisfaction of BUCK'S, a training program on the operation of a Restaurant, provided at BUCK'S corporate headquarters in DuBois, Pennsylvania or at such place and at such time as BUCK'S designates. BUCK'S shall charge no additional fees for Franchisee or its principals to attend the training program. Franchisee shall be responsible for all travel and living expenses incurred in connection with attendance at the training program. In addition to the initial training program, BUCK'S may offer periodic training classes for franchisees at such times and places as BUCK'S shall determine at a cost which shall be set by BUCK'S.

B. Opening Assistance

BUCK'S shall provide such on-location operational and promotional supervision and assistance to Franchisee as BUCK'S shall deem appropriate in connection with the opening of the Restaurant.

C. Hiring and Training of Employees by Franchisee

Franchisee shall hire all employees of the Restaurant, be exclusively responsible for the terms of their employment and compensation, and have sole responsibility for the proper training and supervision of such employees in the operation of the Restaurant.

6. RESTAURANT IMAGE AND OPERATING STANDARDS

A. Condition and Appearance of Restaurant

Franchisee shall maintain the condition and appearance of the Restaurant consistent with the image of a Restaurant as a clean, attractive, modern, sanitary, convenient, and efficiently operated restaurant selling high quality products. If at any time, in BUCK'S reasonable judgment, the general state of repair, appearance or cleanliness of the premises of the Restaurant or its equipment, fixtures, furniture, signs or decor does not meet BUCK'S standards therefor, BUCK'S shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate within five (5) days after receipt of such notice, and thereafter continue, a bona fide program to undertake and complete any such required maintenance within the timetable set by BUCK'S, such failure or refusal shall be considered a breach entitling BUCK'S to terminate the Franchise. In addition, BUCK'S shall have the right, but shall not be obligated, to enter upon the premises of the Restaurant and effect such repairs, painting, decorating and/or replacements of equipment, fixtures, furniture or signs on behalf of Franchisee and Franchisee shall pay the entire cost thereof to BUCK'S on demand.

B. Alterations to Restaurant

Franchisee shall make no alterations to the leasehold improvements or appearance of the Restaurant, nor shall Franchisee make any replacements of or alterations to the equipment, fixtures or signs of the Restaurant, without the prior written approval of BUCK'S.

C. Authorized Products and Services

Franchisee acknowledges that the presentation of a uniform image to the public and the furnishing of uniform products and services is an essential element of a successful franchise system. Franchisee therefore agrees that the Restaurant will offer only the food and beverage products and eat-in, carry-out and delivery services as BUCK'S from time to time shall authorize or approve for BUCK'S PIZZA restaurants. Franchisee shall not offer for sale, or permit any other person or entity to offer for sale at the Restaurant any product or service, including without limitation food items, beverages, video games, vending items or any other product or service not authorized or approved by BUCK'S.

D. Ingredients, Supplies and Materials

All pizza, sandwich and salad ingredients, products, cooking materials, containers, packaging materials, other paper and plastic products, utensils, uniforms, menus, forms, cleaning, and sanitation materials and other supplies and materials used in the operation of the Restaurant shall conform to the specifications and quality standards established by BUCK'S from time to time. Franchisee shall in the operation of the Restaurant use boxes, containers and other paper or plastic products imprinted with the Marks as prescribed from time to time by BUCK'S. BUCK'S may in its sole discretion require that ingredients, supplies and materials used in the preparation, packaging and delivery of pizza, sandwiches, salads and other food and beverage items be purchased exclusively from approved suppliers and that any such ingredients, supplies and materials not theretofore approved by BUCK'S as conforming to its specifications and quality standards be submitted for examination and/or testing by BUCK'S prior to use in the Restaurant. Franchisee may purchase ingredients, supplies and materials used in the preparation, packaging and delivery of food and beverage products from any source which BUCK'S has approved as conforming to its specifications and quality standards.

E. Equipment

Franchisee shall purchase or lease for use in the Restaurant an electronic cash register and/or point of sale system and computer hardware and software (the "System") approved by BUCK'S. The System must accurately record every sale or other transaction. Franchisee shall submit any required reports in a format designated from time to time by BUCK'S. Franchisee grants BUCK'S the right to access the System and to obtain all information related to the Restaurant directly by modem or otherwise. Franchisee shall be obligated to upgrade or update the System, at Franchisee's sole cost and expense, to meet BUCK'S then-current standards and specifications and to address technological developments or events.

F. Specifications, Standards, Procedures and Rules

Franchisee shall fully comply with all specifications, standards and operating procedures and rules from time to time prescribed for a restaurant or the Restaurant, including, without limitation, specifications, standards and operating procedures and rules relating to: (a) safety, maintenance, cleanliness, sanitation, function, and appearance of the Restaurant premises and its equipment, fixtures, furniture, decor and signs; (b) qualifications, dress, general appearance and demeanor of Restaurant employees; (c) quality, taste, portion control and uniformity, and manner of preparation and sale, of all pizza, sandwich, salad, food and beverage products sold by the Restaurant and of all ingredients, supplies and materials used in the preparation, packaging and sale thereof; (d) methods and procedures relating to receiving, preparing and delivering customer orders; and (e) hours and days during which the Restaurant shall be in operation.

G. Restaurant Supervision

Franchisee or qualified management personnel hired by Franchisee must directly supervise the franchised business on the premises of the Restaurant. Franchisee shall require that all management personnel execute a Confidentiality Agreement in substantially the form attached hereto as Exhibit B and shall promptly provide BUCK'S with a copy of each executed Confidentiality Agreement. Franchisee shall notify BUCK'S within five (5) days of any change in management personnel. Although Franchisee shall be permitted to hire qualified management personnel to conduct

the day-to-day affairs of the business, Franchisee's principal owner must thoroughly familiarize himself or herself with the standards and methods of operating the Restaurant and must attend the mandatory training program referred to in Section 5A hereof. Franchisee acknowledges that it will not rely on the efforts of others in order to derive profit from the Restaurant, that it is not obtaining this Franchise for speculative investment and has no present intent to sell the Franchise. Franchisee understands that the Franchise is not a passive investment but rather is a business dependent upon Franchisee's independent efforts, business judgment and skills, as well as market conditions.

H. Compliance With Laws

Franchisee shall secure and maintain in force all required licenses, permits and certificates and shall operate the Restaurant in full compliance with all applicable laws, ordinances and regulations, including without limitation all administrative and governmental regulations relating to food, sanitation, occupational hazards and health, consumer protection, unfair and deceptive practices, trade regulation, workman's compensation, unemployment insurance and withholding and payment of Federal, state and local income taxes, wage taxes, social security taxes, and sales, use and property taxes. When making deliveries, Franchisee and its employees shall strictly comply with all laws, regulations and rules of the road and use due care and caution in the operation of delivery vehicles.

I. Prices to be Determined by Franchisee

BUCK'S may from time to time suggest retail prices to Franchisee for the products and services of the Restaurant. Franchisee, however, shall have the sole right to determine the prices to be charged from time to time by the Restaurant and no such guidance from BUCK'S shall be deemed or construed to impose upon Franchisee any obligation to charge any fixed, minimum or maximum prices for any product or service offered for sale by the Restaurant. No employee or representative of BUCK'S has the authority to modify or abrogate the provisions of this Paragraph.

J. Insurance

Franchisee shall at all times during the Term maintain in force, at its sole expense, public and product liability and general casualty insurance (including fire and extended coverage) with coverage of a minimum of one million dollars (\$1,000,000), "non-owned auto" motor vehicle liability insurance with coverage of a minimum of one million dollars (\$1,000,000), workman's compensation, and such other insurance as BUCK'S requires, under one or more policies of insurance and issued by insurance carriers meeting the minimum classification from time to time prescribed by BUCK'S. All public and product liability and motor vehicle liability insurance policies shall name BUCK'S as an additional insured and shall provide notification to BUCK'S in the event of their cancellation or material alteration. Franchisee shall submit to BUCK'S upon request a copy of the certificate(s) of or evidence of the renewal or extension of each such insurance policy.

7. OPERATING MANUAL

BUCK'S shall lend to Franchisee during the Term one (1) copy of a manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by BUCK'S, as well as information relative to other obligations of Franchisee hereunder, including without limitation approved equipment and signage, appearance and remodeling requirements, and approved menu items (the "Operating Manual"). Franchisee shall at all times

operate the Restaurant strictly in accordance with the Operating Manual. Franchisee acknowledges that all requirements and information contained in the Operating Manual, including periodic amendments and modifications thereto, are necessary and reasonable to preserve the identity, reputation and goodwill developed by BUCK'S and the value of the Franchise. The entire contents of the Operating Manual shall remain confidential and the property of BUCK'S, and Franchisee shall not copy the Operating Manual or any portion thereof or permit others to do so. BUCK'S shall have the right to add to and otherwise amend or modify the Operating Manual from time to time, if deemed necessary by BUCK'S to improve the standards of service, product quality or the efficient operation of the Restaurant, to protect or maintain the goodwill associated with the Marks or to meet competition, provided that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Franchisee shall comply with all provisions of the Operating Manual as amended or modified from time to time. Franchisee's failure to comply with the Operating Manual shall be deemed a breach of this Agreement, and, at the option of BUCK'S, this Agreement shall be subject to termination in accordance with the provisions of Section 14 hereof.

8. RESPONSIBILITIES OF AREA DIRECTOR

BUCK'S reserves the right to retain the services of an area director ("Area Director") or other representative in the Territory. In such event, the Area Director or other representative, on behalf of BUCK'S, will perform such sales, assistance, and/or supervisory services directed by BUCK'S. Franchisee agrees in advance to any such delegation and assignment by BUCK'S or any portion or all of BUCK'S obligations and rights under this Agreement. Franchisee also acknowledges that it is not a third party beneficiary of any Area Director Marketing Agreement or other agreement between BUCK'S and any Area Director or other representative.

9. TRADE SECRETS

Franchisee acknowledges that its entire knowledge of the operation of a Restaurant, including without limitation the specifications, standards and operating procedures of the Restaurant, and the recipes, formulae and improvements for food and beverages developed by or for BUCK'S from time to time and used in the preparation of food and beverages for sale in the Restaurant, is derived from information disclosed to Franchisee by BUCK'S, and that all such information is confidential and proprietary to BUCK'S, is not known to the general public, and constitutes trade secrets of BUCK'S. Franchisee shall maintain the absolute confidentiality of all such information during and after the Term, disclosing such information to its employees only to the extent necessary for the operation of the Restaurant in accordance with this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing in advance by BUCK'S. Franchisee agrees never unreasonably to contest the validity of BUCK'S exclusive ownership of and right to such trade secrets, including without limitation such recipes and formulae, whether now existing or hereafter acquired or invented, used or developed, by BUCK'S and/or Franchisee. Franchisee acknowledges that any new concept, process or improvement or any slogan developed by it in the operation or promotion of the Restaurant becomes the sole property of BUCK'S. Any management personnel hired by Franchisee to manage the day-to-day operations of the Restaurant shall be required by Franchisee to execute the Confidentiality Agreement attached hereto as Exhibit B, and Franchisee shall take all reasonable precautions to prevent its employees and others from doing any act which would violate this Section.

10. ADVERTISING AND PROMOTION

A. Franchisee Advertising

BUCK'S shall make available to Franchisee at rates to be determined by BUCK'S from time to time certain advertising and promotional materials. Franchisee may, but shall not be obligated to use such materials in the advertising and promotion of its Restaurant. Franchisee may conduct such other or further advertising and promotion as it may deem advisable from time to time, provided that such advertising and promotion by Franchisee shall be completely factual, and shall conform to the highest standards of ethical advertising. Franchisee may be required from time to time to report its advertising expenditures to BUCK'S on forms and at times to be determined by BUCK'S.

B. National Advertising Fund

Franchisee may be required to pay to BUCK'S an advertising fee of up to two percent (2%) of Franchisee's gross sales on a weekly basis to be used exclusively for the development, marketing, promotion and placement of advertising in various media for the benefit of the Buck's Pizza franchise system. If such advertising program is implemented, BUCK'S will maintain and administer the advertising fund using its sole discretion. Such advertising fee, if implemented, will be due and payable on Monday of each week for the gross sales of the prior week, and all advertising fees shall be kept separate from all other funds of BUCK'S.

C. Internet Advertising

Franchisee acknowledges and agrees that any Website (as hereinafter defined) shall be subject to the prior written approval of BUCK'S. "Website" means an interactive electronic document, contained in a network of computers linked by communications software, that Franchisee operates or authorizes others to operate and that refers to the Restaurant or to BUCK'S, the System, and/or the Marks. The term Website includes, without limitation, internet and world wide web home pages and electronic mail addresses. In connection with any Website, Franchisee agrees as follows:

- (1) Franchisee shall submit to BUCK'S a sample of the Website format and information, including proposed links to other websites, in the form and manner BUCK'S may reasonably require prior to establishing the Website and making it available for public viewing and use;
- (2) Franchisee shall comply with the BUCK'S standards for Websites as set forth in the Operations Manual or otherwise in writing;
- (3) Franchisee shall submit any proposed material revisions to its Website, including links to other websites, to BUCK'S for prior written approval;
- (4) If requested by BUCK'S, Franchisee shall establish its Website as part of BUCK'S Website and/or establish electronic links to the BUCK'S Website; and
- (5) Immediately upon the termination or expiration of this Agreement for any reason, Franchisee shall immediately take all necessary or appropriate action to remove all references to BUCK'S, the Restaurant, the System and/or the Marks, and shall take all

other action reasonably requested by BUCK'S to inform the public that Franchisee is no longer associated with BUCK'S. Such action may include without limitation changing the URL of Franchisee's Website to automatically forward public users to the BUCK'S website.

11. RESTAURANT RECORDS AND REPORTING

A. Bookkeeping and Records

Franchisee shall establish a bookkeeping and record keeping system conforming to the requirements prescribed by BUCK'S, relating, without limitation, to the use and retention of sales checks, cash register tapes, purchase orders, invoices, payroll records, check stubs, sales tax records and returns, cash receipts, disbursements journals and general ledgers. For a period of three (3) years, Franchisee shall keep all of the foregoing materials and records on file at the Restaurant.

B. Reporting Requirements

(i) Franchisee shall submit to BUCK'S, within fifteen (15) days of the end of each month, unaudited statements of profit and loss of the Restaurant for the preceding month.

(ii) Franchisee shall submit to BUCK'S not later than April 15 of each year true and correct copies of the federal and state income tax returns for the prior year and state sales tax or equivalent tax returns of the Restaurant within fifteen (15) days after submission of such returns to the appropriate taxing authority.

(iii) Franchisee shall submit to BUCK'S on Monday of each week a report containing sales, financial, marketing and other business and operational data pertaining to the Restaurant as BUCK'S may periodically require.

(iv) The foregoing statements, returns and reports shall be submitted to BUCK'S as required herein and no prior request by BUCK'S shall be required.

12. MARKS

A. Ownership of Marks

Franchisee acknowledges that BUCK'S is the owner of or otherwise possesses the rights to use and license the use of all Marks licensed to Franchisee pursuant to this Agreement. Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the operation of the Restaurant in compliance with this Agreement in the Territory, and by all mandatory standards, specifications and operating procedures prescribed by BUCK'S from time to time during the Term. All usage of the Marks by Franchisee and any goodwill established thereby shall inure to the exclusive benefit of BUCK'S. Franchisee shall not at any time during or after the Term hereof contest the validity or ownership of the Marks or assist any other person in contesting the validity or ownership of the Marks. After the termination or expiration of the Franchise, Franchisee shall not directly or indirectly at any time or in any manner identify itself, any restaurant or any other business as a

Restaurant, a former Restaurant, or as a franchisee of or otherwise associated with BUCK'S, or use in any manner or for any purpose any Marks or other indicia of BUCK'S or of a Restaurant.

B. Limitations on Franchisee's Use of Marks

Franchisee shall use the Marks in full compliance with rules prescribed from time to time by BUCK'S, and Franchisee acknowledges that BUCK'S right to regulate the use of the Marks includes, without limitation, any use of the Marks in any form of electronic media. Franchisee shall not use any Marks as part of any corporate name, internet domain or "e-mail" name, or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee hereunder and the notation specified in Paragraph C of this Section 12), nor shall Franchisee use any Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by BUCK'S.

C. Notations

Franchisee agrees that when the Marks are affixed to the pizza products, sandwiches, salads and products related thereto or to accompanying packaging or point of sale displays, or used in advertising or promotional materials, the Marks shall be accompanied by either of the following: (a) the registered service mark notice (a circled "R") immediately following the use of the Mark; or (b) an asterisk immediately following the use of the Mark and the following legend, preceded by an asterisk, printed on or in such packaging, displays, advertisements and materials: “*Registered service marks of Buck's Pizza Franchising Corporation, Inc.” A suitably abbreviated form of the notation, approved by BUCK'S, may be used where space restrictions so require.

D. Notification of Infringements and Claims

Franchisee shall report to BUCK'S, in writing, any challenge to Franchisee's use of the Marks, or any claim of infringement or imitation of any of the Marks of which Franchisee becomes aware. BUCK'S shall have the sole right to determine the appropriate action to take in response to any such challenge or claim of infringement. BUCK'S may commence or prosecute any claims or suits for infringement of the Marks in its own name or the name of Franchisee or join Franchisee as a party thereto. BUCK'S shall be entitled to retain the full proceeds of any action undertaken by BUCK'S to protect and defend its rights in and to the Marks. Franchisee shall communicate only with BUCK'S counsel regarding any action hereunder, and Franchisee shall cooperate with BUCK'S and lend whatever assistance BUCK'S or its counsel may deem necessary or advisable to protect, defend, and/or maintain the interests of BUCK'S in any litigation or other proceeding, or otherwise to protect, defend, and/or maintain the interests of BUCK'S in the Marks.

E. Name Change

BUCK'S at any time and from time to time in its sole discretion may substitute in lieu of the Marks, including "Buck's Pizza", another trade name and related trademarks and service marks. If BUCK'S does so, Franchisee agrees, upon notification to Franchisee by BUCK'S (i) to discontinue the use of the Marks requested by BUCK'S and to substitute therefor, at Franchisee's expense, in connection with all aspects of the operation of the Restaurant such new trade name, trademark, and/or service mark as BUCK'S shall direct; and (ii) that such new trade name, trademark, and/or service mark shall thereafter constitute part of the Franchise and shall be subject to all of the terms and conditions set forth herein.

13. BUCK'S RIGHT TO INSPECT RESTAURANT

To determine whether Franchisee is complying with the terms of this Agreement, BUCK'S shall have the right, at any time during business hours and without prior notice to Franchisee, to inspect, audit, photocopy and videotape the Restaurant and the business records, bookkeeping records, sales checks, cash register tapes, purchase orders, invoices, payroll records, bank statements and cancelled checks, sales and other tax records and returns and other supporting records and documents of the Restaurant and Franchisee, wherever located, to take a physical inventory of the assets of the Restaurant, and to interview employees and customers of the Restaurant. Such inspections shall be made at BUCK'S expense, provided that if BUCK'S is required to make two (2) inspections in connection with Franchisee's repeated or continuing failure to comply with this Agreement, or if any inspection reveals that reported sales for any calendar year are less than ninety-eight percent (98%) of the actual sales for that period, Franchisee shall pay promptly to BUCK'S all costs of making all further inspections in connection with such failure to comply, and all costs of the investigation that revealed such underreporting of sales, including without limitation travel expenses, room, board and compensation of BUCK'S employees or agents. In addition to the foregoing, Franchisee shall permit BUCK'S authorized personnel to enter the Restaurant at all reasonable times, with or without advance notice, to inspect and test all of the products produced for sale under the Marks for the purpose of determining the quality of such products.

14. TERMINATION OF FRANCHISE

A. By Franchisee

If Franchisee is in compliance with this Agreement and BUCK'S breaches this Agreement and fails to cure such breach within thirty (30) days after written notice specifying the breach is delivered to BUCK'S, Franchisee may terminate this Agreement and the Franchise effective ten (10) days after delivery to BUCK'S of notice of termination. A termination of this Agreement and the Franchise by Franchisee without complying with the foregoing requirement or for any reason other than BUCK'S breach of this Agreement and failure to cure such breach within thirty (30) days after receipt of written notice specifying the breach shall be deemed a termination by Franchisee without cause and not in accordance with the provisions of this Agreement, and, at BUCK'S option, shall be deemed invalid.

B. By BUCK'S

- (1) Without opportunity to cure. BUCK'S may terminate this Agreement and the Franchise effective ten (10) days after delivery of notice of termination to Franchisee, and without opportunity to cure, if Franchisee:
 - (a) makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due;
 - (b) files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar relief under any law, or admitting or failing to contest the material allegations of any such pleading filed against it, or is adjudicated a bankrupt or insolvent;

- (c) misuses or makes any unauthorized use of any Mark or the trade secrets of BUCK'S, or otherwise materially impairs the goodwill associated therewith or BUCK'S rights therein;
- (d) is convicted, or if any officer, director or partner of Franchisee is convicted of a felony, a crime involving moral turpitude, or commits any act that BUCK'S determines is reasonably likely to have an adverse effect on the Marks, the goodwill associated therewith, or BUCK'S interest therein;
- (e) fails to comply with the in-term covenant against competition;
- (f) discloses the contents of the Operating Manual or any trade secrets or other confidential information provided to Franchisee by BUCK'S, except in the manner permitted by this Agreement and by the Operating Manual;
- (g) fails for any reason, including strikes by labor organizations or the placement of picket lines, to continuously and actively operate the Restaurant;
- (h) suffers cancellation of or fails to renew or extend the lease or sublease for or otherwise fails to maintain possession of the premises occupied by the Restaurant and fails to secure suitable alternative premises approved by BUCK'S within fifteen (15) days of such cancellation or failure to renew or extend;
- (i) fails to pay, when due, any royalty fee or make other payments to BUCK'S, or make payments to other suppliers of the Restaurant;
- (j) intentionally understates or underreports gross sales;
- (k) violates any health, safety, child labor or sanitation law, ordinance or regulation or operates the Restaurant in a manner that presents a health or safety hazard to its customers, employees or the public;
- (l) makes an unauthorized assignment of this Agreement, the Franchise or ownership of Franchisee;
- (m) has made any material misrepresentation on its application for the Franchise; or
- (n) commits any one of the curable breaches listed in the immediately following paragraph more than once during any twelve-month period.

(2) With opportunity to cure. BUCK'S may, at its option, terminate this Agreement after providing written notice of any of the following events of breach or default to Franchisee and providing Franchisee with thirty (30) days to cure such breach or default. If Franchisee fails to cure the breach or default within such time in a manner reasonably acceptable to BUCK'S, BUCK'S may, at its option, send a notice of termination to Franchisee upon the expiration of the foregoing thirty (30) days, which notice shall become effective three (3) business days after being sent by certified mail, return receipt requested, if Franchisee:

- (a) fails to make any payment upon any evidence of indebtedness to BUCK'S when due;
- (b) defaults in the performance of any of its obligations or covenants under this Agreement or any other agreement between it and BUCK'S, other than as set forth above in Section 14B(1); or
- (c) fails to operate its business in compliance with the provisions of the Operating Manual, as amended or modified from time to time.

15. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Payment of Amounts Owed to BUCK'S

Franchisee shall pay to BUCK'S within seven (7) days after the effective date of termination or expiration of the Franchise such Royalty Fees, amounts owed for products purchased by Franchisee from BUCK'S or any affiliated company, and all other amounts owed to BUCK'S and any affiliated company which are then unpaid. In the event of termination for any default by Franchisee, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by BUCK'S as a result of the default, which obligations shall give rise to and remain, until paid in full, a lien in favor of BUCK'S against any and all of the assets of the Franchise at the time of default.

B. Return of Manuals and Information/Nondisclosure

Upon termination or expiration of the Franchise, Franchisee shall not use, or disclose to others, anything in the Operating Manual or any trade secret, operating instruction, or business practice of BUCK'S. At Franchisee's sole expense, Franchisee shall return to BUCK'S the Operating Manual, all copies, summaries and extracts from it, all amendments and modifications to it, and all other material containing any trade secret, operating instruction, or business practice of BUCK'S relating to the operation of the Restaurant, all of which are acknowledged to be trade secrets of BUCK'S. These trade secrets, operating instructions, and business practices include, without limitation, uniform standards, specifications, policies, and procedures for BUCK'S PIZZA restaurants, whether in print or electronic form. Franchisee shall deliver to BUCK'S a full and complete copy of all data recorded using the System, which includes, by way of example and without limitation, customer lists, bookkeeping records and financial information. Franchisee agrees that all such data shall be the property of BUCK'S and that BUCK'S shall have the right to access, retrieve and remove all such data from the System. Franchisee shall retain no copy or record of any of the foregoing, except for Franchisee's copy of this Agreement, any correspondence between the parties, and any other documents Franchisee reasonably needs for compliance with applicable laws.

C. Cancellation of Assumed Names/Transfer of Telephone Numbers/Internet Presence

Franchisee shall upon termination or expiration of the Franchise take all actions as may be necessary or be required to cancel all assumed name or equivalent registrations relating to its use of any Marks, as well as transfer to BUCK'S or its designee, at Franchisee's sole expense, all rights which Franchisee has in any telephone numbers and all classified and other directory listings for the

Restaurant. Franchisee acknowledges that as between BUCK'S and Franchisee, BUCK'S has the sole rights to and interest in all telephone numbers and directory listings associated with any Marks and authorizes BUCK'S to direct the telephone company and all listing agencies to transfer same to BUCK'S or its designee, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction, or this Agreement, or any Conditional Assignment of Telephone Number, Telephone Listings and Internet Presence in the form attached as Exhibit C and executed prior to the date of termination, as conclusive of the exclusive rights of BUCK'S in such telephone numbers and directory listings and its authority to direct their transfer, and Franchisee releases and indemnifies these companies from any damage or loss because they follow BUCK'S instructions. Upon execution of this Agreement or at any time thereafter, Franchisee shall execute any written authorizations or preapproved authorizations in such form as BUCK'S may prescribe directing the telephone company and any listing agencies to transfer all telephone numbers and directory listings to BUCK'S or its designee upon the occurrence of any termination or expiration of the Franchise. In addition, if applicable, Franchisee shall take such action as may be required to remove from the Internet all sites referring to Franchisee's former BUCK'S PIZZA franchise or any of the Marks and to cancel or assign to BUCK'S or its designee all rights to any domain names for any sites on the Internet that refer to Franchisee's former BUCK'S PIZZA franchise or any of the Marks.

D. Signs and Appearance of the Premises

Upon the relocation, termination or expiration of the Franchise, Franchisee shall at its sole expense immediately make such removals or changes in signs and colors as BUCK'S shall reasonably request so as to distinguish effectively said premises from their former appearance and from any other BUCK'S PIZZA restaurant. If Franchisee shall fail to make such changes forthwith, then BUCK'S may enter upon such premises and make such changes at Franchisee's sole expense and BUCK'S conduct shall not be considered a trespass nor shall BUCK'S be held liable for any damages as a result thereof. BUCK'S shall have the option, but shall not be obligated, to purchase the signs of the Restaurant, and other tangible items in usable form bearing the Marks within fifteen (15) days after the effective date of termination or expiration of the Franchise, at a price equal to their fair market value.

E. Franchisee's Covenants Not To Compete

Franchisee shall not during the Term have any direct or indirect interest as an owner (except of companies whose securities are publicly traded and listed), partner, director, officer, employee, consultant, investor, franchisor, franchisee, guarantor, representative or agent, or in any other capacity, in any other restaurant or business selling pizza, sandwiches, salads or other similar food products (except other Restaurants operated under franchise agreements heretofore or hereafter entered into between Franchisee and BUCK'S) without the prior written approval of BUCK'S. If this Agreement expires or the Franchise is terminated for any reason, Franchisee shall not for a period of two (2) years commencing on the effective date of termination or expiration of the Franchise, have any direct or indirect interest as an owner (except of companies whose securities are publicly traded and listed), partner, director, officer, employee, consultant, investor, franchisor, franchisee, guarantor, representative or agent, or in any other capacity, in any other restaurant or business selling pizza, sandwiches, salads or other similar food products located within a radius of five (5) miles of the Restaurant or of any other BUCK'S PIZZA restaurant.

F. BUCK'S Option To Purchase Restaurant

Upon the termination or expiration of the Franchise, except upon termination by Franchisee for cause pursuant to Paragraph A of Section 14 hereof, BUCK'S shall have the option, exercisable for thirty (30) days, to purchase all of the assets of the Restaurant except delivery vehicles (the "Assets"). The purchase price for the Assets shall be their fair market value at the time of termination or expiration. The purchase price for the Assets shall be paid in three (3) equal installments payable thirty (30), sixty (60) and ninety (90) days after the date of purchase by BUCK'S, without interest. At the closing of the purchase of the Assets, Franchisee and BUCK'S shall each execute and deliver all documents necessary to vest title in BUCK'S or its nominee free and clear of all liens and encumbrances, except those assumed by BUCK'S.

G. Continuing Obligations

All obligations of BUCK'S and Franchisee which expressly or by their nature survive the expiration or termination of the Franchise, including without limitation the provisions set forth in Section 9 and Section 15 of this Agreement, shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Franchise and until they are satisfied in full or by their nature expire.

16. ASSIGNMENT, SALE, TRANSFER AND ENCUMBRANCE

A. By BUCK'S

The rights, duties and obligations of BUCK'S hereunder shall be fully assignable by BUCK'S and shall inure to the benefit of any assignee or other legal successor to the interest of BUCK'S herein. The provisions of this Agreement shall inure to the benefit of and be binding upon BUCK'S representatives, successors, heirs and assigns.

B. Franchisee May Not Sell, Assign or Transfer Without Approval

This Agreement and the Franchise are personal to Franchisee and neither this Agreement, the Franchise, nor any part of the ownership of Franchisee (which shall mean and include voting stock, securities convertible thereto, proprietorship and general partnership interests) may be voluntarily, involuntarily, directly or indirectly sold, assigned or otherwise transferred or encumbered by Franchisee or its owners (if applicable) (including, without limitation, by will, declaration of or transfer in trust or the laws of intestate succession) without the prior written approval of BUCK'S, and any such assignment, transfer or encumbrance without such approval shall constitute a breach hereof. This Agreement does not give Franchisee the right to grant a subfranchise or similar right.

C. BUCK'S Approval of Assignment

If Franchisee is in full compliance with this Agreement, permission to sell, assign or otherwise transfer this Agreement, the Franchise, or all or any part of the ownership of or in Franchisee, shall not be unreasonably withheld by BUCK'S, subject to satisfaction of all of the following conditions:

- (1) The proposed transferee shall assume all of Franchisee's obligations incurred in connection with this Agreement, and, if the proposed transferee is a corporation, partnership or other business entity, the proposed transferee's owners shall guarantee such obligations.
- (2) Franchisee or the proposed transferee shall pay all fees and other amounts owned to BUCK'S or its affiliates which are then due and unpaid.
- (3) The proposed transferee shall have sufficient business experience, aptitude and financial resources to own and operate the Restaurant and otherwise meet all of BUCK'S requirements for new franchisees then in effect.
- (4) The lessor or sublessor of the Premises shall have consented to the lease or sublease of the premises on which the Restaurant is located to the proposed transferee, if such consent is required by the terms of the lease or sublease.
- (5) The proposed transferee (including without limitation any transferee proposing to acquire all or any part of the ownership interest of or in Franchisee) shall have executed BUCK'S then-current form of franchise agreement, and all ancillary agreements then used by BUCK'S in the grant of licenses for BUCK'S PIZZA restaurants.
- (6) Franchisee or the proposed transferee shall have completed or agreed to complete any cleaning, repair, remodeling, upgrading, painting or decoration of the Restaurant as required by BUCK'S.
- (7) Franchisee or the proposed transferee shall pay to BUCK'S a transfer and training fee in the amount of Five Thousand Dollars (\$5,000).
- (8) Franchisee and its owners shall execute a general release, in form satisfactory to BUCK'S, releasing BUCK'S and each of its affiliates, officers, directors, shareholders, employees and agents from liability which may arise out of or in connection with this Agreement or Franchise.
- (9) If the proposed transferee already owns one or more BUCK'S PIZZA restaurants, such Franchisee shall be in full compliance with Franchisee's existing franchise agreements with respect thereto and all other agreements then in effect between the proposed transferee and BUCK'S or its affiliates.
- (10) Franchisee shall have entered into an agreement with BUCK'S providing that all obligations of the proposed transferee to make installment payments of the purchase price or interest thereon to Franchisee or to any of Franchisee's owners shall be subordinate to the obligations of the transferee to comply with all of its obligations to BUCK'S and its affiliates.

D. Sale, Assignment or Transfer to Partnership, Corporation or Other Entity

If Franchisee is in full compliance with this Agreement, Franchisee may assign this Agreement and the Franchise to a corporation, partnership or other business entity, subject to BUCK'S prior written approval. BUCK'S will not unreasonably withhold its approval to such assignment, subject to the following conditions: (i) the proposed assignee shall be actively managed by Franchisee; (ii) Franchisee shall own or control all of the equity and voting power of the proposed assignee; (iii) the proposed assignee shall conduct no business other than the Restaurant and other BUCK'S PIZZA

Restaurants under franchise agreements with BUCK'S; (iv) all shareholders, partners and other owners of the proposed assignee shall personally guarantee the performance of this Agreement by signing the guaranty which is attached hereto as Exhibit A and agreeing to be bound jointly and severally by all provisions hereof. The signatories to this Agreement from time to time represent and warrant that: (i) they are the proprietors of Franchisee; or (ii) they are all of the persons required to sign the Guaranty pursuant to this Paragraph. If Franchisee is or becomes a corporation, partnership or other business entity, all issued and outstanding stock certificates of such corporation or other evidence of ownership interest shall bear a legend reflecting or referring to the restrictions of this Section 16.

E. BUCK'S Right Of First Refusal

If Franchisee or the owners of Franchisee propose to sell the Restaurant (or its assets) or part or all of the ownership of Franchisee, Franchisee or its owners shall obtain and deliver a bona fide, executed written offer to purchase same to BUCK'S, which shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, exercisable by written notice to Franchisee or its owners, to purchase the Restaurant (or its assets) or such ownership interest for the price and on the terms and conditions contained in such offer, provided that BUCK'S may substitute the cash equivalent of any form of payment proposed in such offer. If BUCK'S does not exercise this right of first refusal, the offer may be accepted by Franchisee or its owners, subject to the prior written approval of BUCK'S as provided in this Section 16, provided that if such offer is not so accepted within thirty (30) days of the date thereof, BUCK'S shall again have the right of first refusal herein described. This Paragraph shall not apply to transfers described in Paragraph D of this Section 16.

17. ENFORCEMENT

A. Judicial Enforcement, Injunction and Specific Performance

The parties acknowledge and agree that the rights of Franchisee under this Agreement are of a specialized and unique character and that irreparable damage will result to BUCK'S if Franchisee fails or refuses to perform its obligations under this Agreement. Therefore, in addition to any other rights which it may have at law or in equity, BUCK'S shall be entitled, without bond when the law permits, or with bond in compliance with the law, to temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Franchisee's use of the Marks, BUCK'S confidential and proprietary information, the obligations of Franchisee upon termination or expiration of this Agreement, and the sale, transfer or assignment of the Franchise, the Restaurant or Franchisee, or any interest in any of them, and to prohibit any act or omission by Franchisee which constitutes a breach of this Agreement or a violation of any applicable law, ordinance or regulation, or which is dishonest or misleading to customers or prospective customers of the Restaurant, or to other restaurants operated by BUCK'S franchisees, or constitutes a danger to employees or customers of the Restaurant, or to the public, or may impair the goodwill associated with the Marks and BUCK'S PIZZA restaurants. If BUCK'S secures any such injunction or order of specific performance, Franchisee agrees to pay to BUCK'S, in addition to the actual damages sustained by BUCK'S as a result of Franchisee's breach or default, an amount equal to the aggregate of its cost of obtaining such relief, including, without limitation, reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, bond fees, other litigation expenses and travel and living expenses, and any damages incurred by BUCK'S in pursuing its rights and remedies hereunder or as a result of the breach of any such provision.

B. Governing Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. 1051 et seq.), this Agreement and the Franchise shall be governed by the internal laws of the Commonwealth of Pennsylvania. The parties hereby consent to the exclusive jurisdiction and venue of the State and Federal Courts in Allegheny County, Pennsylvania, and the parties further agree that any judgment may be enforced in any other jurisdiction.

C. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and all partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by BUCK'S is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure shall be modified to the extent required to be valid and enforceable. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, the parties agree that the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. Such modifications to this Agreement shall be effective only in such jurisdiction and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

D. Waiver of Punitive Damages

Except with respect to Franchisee's obligation to indemnify BUCK'S pursuant to Section 18 of this Agreement, the parties agree that neither party shall be liable to the other for special, incidental, consequential or punitive damages, and agree that in the event of a dispute between the parties, the party making a claim shall be limited to recovery of any actual damages sustained by it, except to the extent such limitation of damages is prohibited by state or federal law or otherwise provided in this Agreement.

E. Limitations of Claims

Notice of any and all claims arising out of this Agreement or the relationship among BUCK'S, Franchisee and/or its owners must be made within one (1) year from the occurrence of the facts giving rise to such claim.

F. Costs and Attorneys' Fees

The party prevailing in a judicial proceeding or appeal thereof shall be awarded its costs and expenses including, but not limited to, reasonable accounting, paralegal, expert witness and attorneys' fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement.

18. INDEPENDENT CONTRACTORS AND INDEMNIFICATION

BUCK'S and Franchisee are independent contractors. BUCK'S and Franchisee acknowledge and agree that the relationship created by this Agreement, and the relationship between Franchisee and BUCK'S, is not a fiduciary relationship nor one of principal and agent. Furthermore, BUCK'S has no relationship with Franchisee's employees, and no rights, duties, or responsibilities with regard to their employment by Franchisee. Franchisee shall conspicuously identify itself at the premises of the Restaurant and in all dealings with others as the owner of the Restaurant. Neither BUCK'S nor Franchisee shall make any agreements, representations or warranties in the name of or on behalf of the other or that their relationship is other than franchisor and franchisee. BUCK'S shall not be liable for any damages to any person or property arising directly or indirectly out of the operation of the Restaurant, including but not limited to those damages which may occur while Franchisee or its employees are making or returning from making deliveries or which may arise out of Franchisee's employment practices or relationships. Franchisee shall defend, indemnify and save harmless BUCK'S and its agents, representatives, shareholders, directors, officers and employees from and against all liability, injury, loss, cost (including attorneys' fees), damages and expense of any type that arises in connection with Franchisee's operation of the Restaurant, including but not limited to acts or omissions arising out of the maintenance or use of a motor vehicle or while making a delivery or returning from making a delivery. BUCK'S shall have no liability for any sales, use, excise, income, property or other taxes levied upon the Restaurant or its assets or in connection with the services performed or sales made or business conducted by the Restaurant. Franchisee shall indemnify BUCK'S against and shall reimburse BUCK'S for all such obligations, damages and taxes for which it is held liable and for all costs reasonably incurred by BUCK'S in the defense of any such claim brought against it or in any action in which it is named as a party, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. BUCK'S shall have the right to defend any such claim against it. The indemnities and assumptions of liabilities and obligations herein shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

19. MISCELLANEOUS

A. Waiver of Obligations

No acceptance by BUCK'S of any payment by Franchisee and no failure, refusal or neglect of BUCK'S or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard or operating procedure or rule shall constitute a waiver of any provision of this Agreement.

B. Franchisee May Not Withhold Payments Due BUCK'S

Franchisee shall not, on grounds of the alleged nonperformance by BUCK'S of any of its obligations hereunder, withhold payment of any Royalty Fees, amounts due to BUCK'S for products purchased by Franchisee or any other amounts due BUCK'S.

C. Rights of Parties Are Cumulative

The rights of BUCK'S and Franchisee hereunder are cumulative and no exercise or enforcement by BUCK'S or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by BUCK'S or Franchisee of any other right or remedy hereunder, at law or in equity.

D. Adaptations and Variances.

Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of BUCK'S. Accordingly, we have the right to vary the requirements for any franchisee based upon the circumstances of a particular franchisee, site or location, population density, business potential, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such franchisee's business. We are not required to grant to you a like or other variation as a result of any variation from standard operations, specifications or requirements granted to any other franchisee. Franchisee acknowledges that it is aware that BUCK'S other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from Franchisees' rights and obligations under this Agreement.

E. Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, successors and permitted assigns; provided, however, that Franchisee may assign this Agreement only in accordance with Section 16 hereof.

F. Amendment/Modification

No amendment or other modification of this Agreement shall be valid or binding on either party hereto unless reduced to writing and executed by the parties hereto. However, BUCK'S reserves the right to modify the Operating Manual from time-to-time, in its sole discretion, and Franchisee shall comply with all such modifications.

G. Construction

The preambles, recitals and exhibits hereto are a part of this Agreement, which constitutes the entire agreement of the parties. There are no other oral or written understandings or agreements between BUCK'S and Franchisee relating to the subject matter of this Agreement. The headings of the several paragraphs hereof are for convenience only and do not define, limit or construe the contents of such paragraphs. Whenever this Agreement requires BUCK'S advance approval or consent, Franchisee shall make a timely written request for approval, and BUCK'S approval must be obtained in writing. Except where this Agreement expressly obligates BUCK'S reasonably to approve or not unreasonably to withhold its approval of any action or request by Franchisee, BUCK'S shall have the absolute right to refuse any request or to withhold its approval of any action or omission by Franchisee. If two or more persons are at any time the franchisee hereunder, whether or not as partners or joint venturers, their obligations and liabilities to BUCK'S shall be joint and several. References to "affiliate" herein shall mean any company directly or indirectly owned or controlled by BUCK'S that sells products or services or otherwise transacts business with Franchisee. The term "Franchisee" as used herein is applicable to one or more persons, a corporation or a partnership or other business

entity, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine.

H. Notices

All written notices permitted or required to be delivered by the provisions of this Agreement or of the Operating Manual shall be deemed so delivered three (3) days after being placed in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

I. Release

By signing this Agreement, Franchisee hereby acknowledges that neither Franchisee nor any of its owners has any claim of any type against BUCK'S, or any shareholder, director, officer, employee or agent of BUCK'S, and Franchisee and each of its owners (if applicable) hereby releases each of such parties from all claims, including any alleged breach of franchise or other laws, and any alleged breach of agreement, oral or written.

20. ACKNOWLEDGEMENTS. Franchisee acknowledges the following:

THE SUCCESS OF THE BUSINESS VENTURE BEING UNDERTAKEN BY FRANCHISEE BY VIRTUE OF THIS AGREEMENT IS NOT GUARANTEED AND SUCCESS IS DEPENDENT ON NUMEROUS VARIABLE FACTORS AND FRANCHISEE'S BUSINESS SKILL. FRANCHISEE ACKNOWLEDGES THAT NEITHER BUCK'S NOR ITS OFFICERS, EMPLOYEES OR AGENTS HAVE MADE ANY REPRESENTATIONS AS TO THE ACTUAL, AVERAGE, PROJECTED OR FORECASTED SALES, PROFITS OR EARNINGS OF FRANCHISEE.

FRANCHISEE HAS READ THIS FRANCHISE AGREEMENT, INCLUDING ALL EXHIBITS HERETO, AND BEEN ADVISED BY A REPRESENTATIVE OF BUCK'S TO DISCUSS THE PROVISIONS THEREOF WITH AN ATTORNEY OF FRANCHISEE'S CHOICE PRIOR TO ITS EXECUTION BY FRANCHISEE. FRANCHISEE HAS RECEIVED A COPY OF THIS AGREEMENT AND RELATED DOCUMENTS, FULLY COMPLETED, AT LEAST FOURTEEN (14) BUSINESS DAYS PRIOR TO ITS EXECUTION OR THE PAYMENT OR DEPOSIT OF ANY FUNDS BY FRANCHISEE TO BUCK'S.

FRANCHISEE HAS BEEN PROVIDED WITH AND HAS READ A FRANCHISE DISCLOSURE DOCUMENT AS REQUIRED BY THE FEDERAL TRADE COMMISSION AND APPLICABLE STATE LAW RELATING TO THE OFFER OF THE FRANCHISE GRANTED HEREIN AT LEAST FOURTEEN (14) BUSINESS DAYS PRIOR TO THE DATE HEREOF, OR BEFORE PAYMENT OF ANY CONSIDERATION. FRANCHISEE STATES THAT IT HAS CONDUCTED AN INDEPENDENT REVIEW AND INVESTIGATION OF THE BUSINESS ARRANGEMENT CONTEMPLATED BY THIS AGREEMENT, AND TAKEN ALL CONSULTATIONS WITH LEGAL AND FINANCIAL ADVISORS OF ITS OWN CHOOSING AND THAT IT DEEMS NECESSARY TO DETERMINE THAT IT IS LEGALLY AND FINANCIALLY PREPARED TO ASSUME THE RISKS INVOLVED IN BECOMING A FRANCHISEE OF BUCK'S.

FRANCHISEE IS AWARE THAT SOME PRESENT OR FUTURE FRANCHISEES OF BUCK'S MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS, AND CONSEQUENTLY THAT FRANCHISEE'S AND BUCK'S OBLIGATIONS AND RIGHTS WITH RESPECT TO THIS AGREEMENT MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES FROM THE OBLIGATIONS AND RIGHTS AGREED TO BY BUCK'S AND OTHER FRANCHISEES. THE ACTUAL RESULTS OF THE OPERATIONS OF A RESTAURANT MAY VARY CONSIDERABLY AMONG FRANCHISEES.

NO REPRESENTATIONS OF BUCK'S OR ITS OFFICERS, EMPLOYEES OR AGENTS REGARDING THE BUSINESS ARRANGEMENT CONTEMPLATED BY THIS AGREEMENT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT AND, AS AN INDUCEMENT TO BUCK'S TO ENTER INTO THIS AGREEMENT, FRANCHISEE HAS MADE NO MISREPRESENTATIONS IN OBTAINING THE FRANCHISE.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed and delivered this Agreement on the date set forth below, to be effective upon execution by BUCK'S.

ATTEST:

BUCK'S PIZZA FRANCHISING
CORPORATION, INC.

By: _____
Title: _____

By: _____
Title: _____

Date Approved by BUCK'S: _____

FRANCHISEE:
(If Franchisee is a corporation or other entity)

FRANCHISEE:
(If Franchisee is an Individual)

Type or print name and type of entity

Name: _____
Type or print name

By: _____
Signature of person signing on behalf of entity

Signature: _____
Signature of individual

Title: _____
Type or print title of person signing on
behalf of entity

Witness: _____
Signature of witness

Attest: _____
Signature of person attesting

Date: _____
Name: _____
Type or print name

Title: _____
Title of person attesting

Signature: _____

Signature of individual

Witness: _____

Signature of witness

Date: _____

Name: _____

Type or print name

Signature: _____

Signature of individual

Witness: _____

Signature of witness

Date: _____

EXHIBIT A
to Franchise Agreement
PERSONAL GUARANTY

We, the undersigned, each of whom is a shareholder, partner or other owner of _____ ("Franchisee"), in order to induce Buck's Pizza Franchising Corporation, Inc. ("Buck's") to enter into the attached Franchise Agreement (the "Agreement"), waiving demand and notice, hereby jointly, severally and personally guaranty the full payment and performance of all of the obligations, whether monetary or non-monetary, of _____, the Franchisee under such Agreement, as if each of us were said Franchisee.

The undersigned expressly agree that the validity of this Guaranty and each of our obligations hereunder shall not, under any circumstances whatsoever, be terminated, affected or impaired by reason of the assertion by Buck's against said Franchisee of any of the rights or remedies reserved to it by the Agreement.

The undersigned further agree that this Guaranty shall remain and continue in full force and effect as to any renewal, modification or extension of the Agreement and any assignment or transfer of the Agreement by Buck's, whether or not any or all of us shall have received any notice of or consent to such renewal, modification, extension, assignment or transfer.

The undersigned acknowledge in particular that each of us is personally bound by the confidentiality provisions and covenants not to compete contained in the Agreement, including, without limitation, Sections 7, 9, 15 and 17 and Exhibit B of the Agreement, each of which is incorporated herein by reference.

Failure of Buck's to insist upon strict performance or observance of any of the terms, provisions or covenants of the Agreement or to exercise any right therein contained shall not be construed as a waiver or relinquishment of any such term, provision, covenant or right and the same shall continue and remain in full force and effect. Receipt by Buck's of payment with knowledge of the breach of any provision of the Agreement shall not be deemed a waiver of such breach.

The undersigned further agree that their liability under this Guaranty shall be primary, joint and several, and that in any right of action which may accrue to Buck's under the Agreement, Buck's may, at its option, proceed against any or all of the undersigned without having commenced any action against or having obtained any judgment against said Franchisee. This Personal Guaranty shall be governed by the internal laws of the Commonwealth of Pennsylvania, and the undersigned hereby consent to the exclusive jurisdiction and venue of the state and federal courts in Allegheny County, Pennsylvania.

This Guaranty is effective as of the ____ day of _____, 20__.

Signature

Type or Print Name

Signature

Type or Print Name

EXHIBIT B
to Franchise Agreement
CONFIDENTIALITY AGREEMENT

The undersigned, an employee of a franchisee (the "Franchisee") of Buck's Pizza Franchising Corporation, Inc. ("BUCK'S"), in consideration of having been provided with employment, including access to the BUCK'S confidential Operating Manual (as defined in that certain Franchise Agreement between the Franchisee and BUCK'S), the marketing images, promotion methods, training programs, standards, specifications and compilations of information, records, customer lists and other confidential information of BUCK'S (the "Trade Secrets"), hereby agrees as follows:

1. The undersigned shall maintain the confidentiality of the Operating Manual and shall not divulge, discuss or reveal the contents of or information contained in the Operating Manual to any person or entity.

2. The undersigned shall maintain the confidentiality of the Trade Secrets and shall not divulge, discuss or reveal the Trade Secrets or any of them to any person or entity.

3. The undersigned shall not copy or reproduce by any means the Operating Manual, in whole or in part.

4. The undersigned shall not use the Operating Manual or the Trade Secrets, or any part thereof, in any business or for any purpose, at any time, except in connection with the duties of the undersigned pursuant to his/her employment with the Franchisee in the operation of a BUCK'S PIZZA franchise.

5. The undersigned acknowledges and agrees that the Operating Manual and Trade Secrets are the sole property of BUCK'S.

6. The undersigned acknowledges and agrees that BUCK'S is a direct and/or a third party beneficiary of this Confidentiality Agreement and shall have the right to enforce the terms and provisions hereof in the event of a breach by the undersigned.

7. In the event of breach of this Confidentiality Agreement by the undersigned, the undersigned shall pay all reasonable attorneys' fees and costs incurred by BUCK'S and/or Franchisee in the enforcement of any provision hereof, with or without suit, or in obtaining appropriate legal and/or equitable relief. The undersigned acknowledges that any breach of this Confidentiality Agreement by the undersigned will result in immediate and irreparable harm to BUCK'S, and that BUCK'S could not be reasonably or adequately compensated by damages in an action at law. Therefore, BUCK'S shall have the right to obtain appropriate equitable relief, including preliminary and permanent injunctions, as may be necessary to protect BUCK'S proprietary interest in the Operating Manual and the Trade Secrets. Such right to equitable relief shall be in addition to all other legal remedies BUCK'S may have to protect its rights.

8. This Confidentiality Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania. The undersigned hereby consents to the exclusive jurisdiction and venue of the state and federal courts in Allegheny County, Pennsylvania.

IN WITNESS WHEREOF, the undersigned has executed this Confidentiality Agreement as
of the ____ day of _____, 20__.

Signature

Type or Print Name

Signature

Type or Print Name

Signature

Type or Print Name

Signature

Type or Print Name

EXHIBIT C
to Franchise Agreement
**CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBER, TELEPHONE LISTINGS
AND INTERNET PRESENCE**

For value received, the undersigned Franchisee assigns to its franchisor, BUCK'S Pizza Franchising Corporation, Inc. ("BUCK'S"), all of its right, title and interest in and to the telephone and fax numbers, any and all telephone listings (including "White" and "Yellow" Pages), and any e-mail or Internet presence occupied by Franchisee and used for the purpose of conducting business as a BUCK'S Pizza Restaurant. This assignment shall become effective only upon termination (including expiration) of the Franchise Agreement between Franchisee and BUCK'S. Upon any such assignment, Franchisee shall be fully responsible for, and shall faithfully discharge, any and all debts and liabilities owing to any such vendor of telephone and Internet service.

Franchisee hereby irrevocably agrees to fully and promptly cooperate with BUCK'S to prepare and sign any and all documents which BUCK'S in its sole discretion deems necessary to effectuate the terms of this assignment. The undersigned, both personally and on behalf of Franchisee if Franchisee is a business entity, hereby irrevocably authorizes and appoints BUCK'S, any of BUCK'S assignees, and any of their authorized agents or employees, to act as special agent or attorney-in-fact for the undersigned (and Franchisee if it is a business entity), and each of them, to execute and sign on behalf of Franchisee such documents as BUCK'S or its assignees, agents or employees deem necessary or appropriate to effectuate the terms of this assignment. Franchisee understands that time is of the essence regarding all actions to be taken under this assignment. BUCK'S may exercise its assignment rights described herein up to and including ten (10) years and six (6) months from the date below.

WITNESS the due execution hereof, intending to be legally bound hereby, as of the ____ day of _____, 20__.

FRANCHISEE:
(If Franchisee is a corporation or other entity)

FRANCHISEE:
(If Franchisee is an Individual)

Type or print name and type of entity

Name: _____
Type or print name

By: _____
Signature of person signing on behalf of entity

Signature: _____

Title: _____
Type or print title of person signing on
behalf of entity

Name: _____
Type or print name

Attest: _____
Signature of person attesting

Signature: _____

Title: _____
Title of person attesting

Name: _____
Type or print name

Signature: _____

EXHIBIT B

AREA DIRECTORS

BUCK'S PIZZA

**LIST OF AREA DIRECTORS
(12/31/23)**

Mark D. Evans/Victoria M. Evans
14010 Hazel Ridge Court, Houston TX 77062

Tel: 832-859-1136

Prisciliano Trevino
2501 Brazil Street, Hidalgo, TX 78557

Tel: 956-533-3630

EXHIBIT C

FINANCIAL STATEMENTS

Audited Combined Financial Statements

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

For the Years Ended December 31, 2023 and 2022

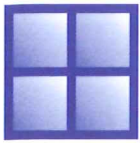
Audited Combined Financial Statements

BUCK’S PIZZA FRANCHISING CORPORATION, INC.

For the Years Ended December 31, 2023 and 2022

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McKeever Varga & Senko

*Certified Public Accountants
Personal Financial Planners
Business Consultants*

Independent Auditor's Report

Board of Directors

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

DuBois, Pennsylvania

Opinion

We have audited the accompanying combined financial statements of Buck's Pizza Franchising Corporation, Inc. (Pennsylvania S corporation) & Buck's Pizza of DuBois, LLC, which comprise the combined balance sheets as of December 31, 2023 and 2022, and the related combined statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Buck's Pizza Franchising Corporation, Inc. & Buck's Pizza of DuBois, LLC as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Buck's Pizza Franchising Corporation, Inc. & Buck's Pizza of DuBois, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Certified Public Accountants

March 22, 2024

Pittsburgh, Pennsylvania

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Balance Sheets

At December 31, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 453,464	\$ 454,738
Accounts receivable – trade, net of allowance	19,086	14,552
Other receivables	295,926	293,984
Inventory, net of allowance	65,685	73,955
Loan receivable – previous stockholders	9,983	-
Loan receivable – stockholders	-	72,649
Assets held-for-sale	58,161	58,161
Prepaid expenses	26,600	15,354
Total current assets	928,905	983,393
Non-current assets:		
Fixed assets, net of accumulated depreciation	367,599	391,858
Other asset	1,185	1,185
Right-of-use asset	126,380	213,252
Total non-current assets	495,164	606,295
Total assets	\$ 1,424,069	\$ 1,589,688
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 42,238	\$ 43,605
Accrued expenses	26,384	30,676
Accrued payroll	22,627	19,205
Loans payable – current portion	35,770	34,577
Lease liability – current	53,889	89,084
Deferred revenue – gift card, net of breakage	16,786	21,834
Total current liabilities	197,694	238,981
Long-term liabilities:		
Loan payable, net of current portion and loan fees	118,395	154,161
Lease liability, net of current portion	61,039	114,928
Total liabilities	377,128	508,070
Stockholders' equity:		
Common stock (10,000 shares authorized, par value \$.01 per share, 2,520 shares are issued and outstanding)	25	25
Additional paid-in-capital	396,849	396,849
Retained earnings (deficit)	684,225	718,902
Cost of treasury stock (150 shares)	(34,158)	(34,158)
Total stockholders' equity	1,046,941	1,081,618
Total liabilities and stockholders' equity	\$ 1,424,069	\$ 1,589,688

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Statements of Income

For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenue:		
Sales	\$ 2,473,588	\$ 2,774,096
Royalty income	238,146	239,693
Franchise fee income	-	5,000
Rebate income	50,393	57,008
	<hr/>	<hr/>
Total revenue	2,762,127	3,075,797
Cost of sales	(744,347)	(915,295)
	<hr/>	<hr/>
Gross profit	2,017,780	2,160,502
Operating expenses:		
Salaries	1,163,124	1,165,981
Employee benefits	35,621	54,677
Payroll taxes	126,182	127,811
Advertising	140,776	197,546
Utilities and telephone	106,313	109,327
Rebate expense	36,033	39,647
Rent	-	89,400
Operating lease expense	88,807	88,807
Royalties	24,993	26,238
Repairs	24,387	28,890
Legal and professional	18,905	16,331
Travel and entertainment	2,960	5,339
Merchant fees	49,876	56,719
Insurance	47,103	53,192
Interest	6,034	7,196
Equipment	4,853	8,299
Depreciation	24,259	47,322
Office expense	86,314	94,241
Licenses	3,436	287
Training	15	762
Contributions	520	985
Taxes	10,039	-
Dues and subscriptions	1,988	3,016
Credit loss expense	964	(4,310)
Obsolescence expense	-	172
Miscellaneous	151	-
	<hr/>	<hr/>
Total operating expenses	2,003,653	2,217,875
Net income (loss) from operations	14,127	(57,373)
Other income (expenses):		
Other income	9,048	2,707
Interest income	9,631	11
	<hr/>	<hr/>
Net income (loss)	\$ 32,806	\$ (54,655)

The accompanying notes are an integral part of these combined financial statements.

BUCK’S PIZZA FRANCHISING CORPORATION, INC.

Combined Statements of Stockholders’ Equity

For the Years Ended December 31, 2023 and 2022

	Common Stock	Additional Paid-in- Capital	Treasury Stock	Retained Earnings (Deficit)	Total
Balance at December 31, 2022	\$ 25	\$ 396,849	\$ (34,158)	\$ 718,902	\$ 1,081,618
Net income (loss)	-	-	-	32,806	32,806
Distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,483)</u>	<u>(67,483)</u>
Balance at December 31, 2023	<u>\$ 25</u>	<u>\$ 396,849</u>	<u>\$ (34,158)</u>	<u>\$ 684,225</u>	<u>\$ 1,046,941</u>
 Balance at December 31, 2021	 \$ 25	 \$ 396,849	 \$ (34,158)	 \$ 773,557	 \$ 1,136,273
Net income (loss)	-	-	-	(54,655)	(54,655)
Distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 25</u>	<u>\$ 396,849</u>	<u>\$ (34,158)</u>	<u>\$ 718,902</u>	<u>\$ 1,081,618</u>

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ 32,806	\$ (54,655)
Adjustments to reconcile net cash provided by (used for) operating activities:		
Depreciation	24,259	47,322
Reduction in carrying amount of right-of-use asset	86,872	78,966
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(4,534)	6,278
(Increase) decrease in other receivables	(1,942)	5,500
(Increase) decrease in inventory	8,270	(259)
(Increase) decrease in prepaid expenses	(11,246)	17,739
(Increase) decrease in security deposits	-	640
Increase (decrease) in accounts payable	(1,366)	(2,836)
Increase (decrease) in accrued expenses	(4,292)	(1,266)
Increase (decrease) in accrued payroll	3,422	(919)
Increase (decrease) in deferred revenue – gift card	(5,048)	(31,959)
Increase (decrease) in lease liability	(89,084)	(88,206)
Net cash provided by (used for) operating activities	<u>38,117</u>	<u>(23,655)</u>
Cash flows from investing activities:		
Purchases of equipment	-	(5,642)
Net cash provided by (used for) investing activities	<u>-</u>	<u>(5,642)</u>
Cash flows from financing activities:		
Distributions	(67,483)	-
Loan to stockholders	-	(72,649)
Payments received from loan to former stockholders	62,666	-
Repayment of debt	(34,573)	(33,412)
Net cash provided by (used for) financing activities	<u>(39,390)</u>	<u>(106,061)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,273)</u>	<u>(135,358)</u>
Cash and cash equivalents, beginning of year	454,738	590,096
Cash and cash equivalents, end of year	<u>\$ 453,464</u>	<u>\$ 454,738</u>
Supplemental Information:		
Cash paid for interest	<u>\$ 5,945</u>	<u>\$ 7,107</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements

For the Years Ended December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies

A. Nature of Operations

Buck's Pizza Franchising Corporation, Inc. (the Corporation) was organized and incorporated on September 16, 1994 in Pennsylvania. The Corporation operates as a Buck's Pizza franchisor and has approximately 10 franchises operating in 5 states of the United States. Buck's Pizza of DuBois, LLC (the LLC) was organized and incorporated on April 1, 2010 in Pennsylvania. Buck's Pizza of DuBois operates as a pizza restaurant with two locations.

Buck's Pizza Franchising Corporation, Inc. and Buck's Pizza of DuBois, LLC (the Companies) are under common ownership but are separate legal entities. These financial statements represent the combined balance sheets, statements of income, stockholders' equity and cash flows of the two companies.

On January 1, 2023, the former stockholders of the Corporation and the LLC gifted ownership interests of the companies. The two new owners received 1,260 shares each of the 10,000 authorized shares of the Corporation. The value of those stocks approximates the net book value of the equity accounts at December 31, 2022.

B. Basis of Combination

The combined financial statements include the accounts of Buck's Pizza of DuBois, LLC. All significant intercompany accounts and transactions have been eliminated in the combination.

C. Income Taxes

The stockholders have elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code for both entities. For Federal and Pennsylvania corporate income tax purposes, profits and losses flow from the Corporation and LLC to the stockholders' individual tax returns. The tax returns are generally open for audit for the years ending December 31, 2022, 2021 and 2020.

D. Basis of Accounting

The Companies record income and expenses on the accrual basis of accounting. Income is recognized when earned and expenses are recorded as incurred.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies (Continued)

E. Use of Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Trade Accounts Receivable

Accounts receivable consist of extensions of credit to franchisees for various pizza products and equipment sold as well as royalties due. Management reviews trade receivables on an individual basis to determine collectability. Management reduces the carrying amount of receivables by an allowance for credit losses that reflects their best estimate of amounts that will not be collected. The Corporation does not currently recognize or accrue interest on any unpaid trade receivables balance.

G. Fixed Assets

Fixed assets are recorded at cost. Depreciation is recorded over the estimated useful life of the assets on a straight-line basis.

H. Cash and Cash Equivalents

For the purposes of the Combined Statements of Cash Flows, the Companies consider all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

I. Deposits Held in Financial Institutions

The Companies maintain cash balances in multiple banks located in Pennsylvania. Cash balances at times may have exceeded the \$250,000 Federal Deposit Insurance Corporation (FDIC) coverage limit during the year. The uninsured balances at December 31, 2023 and 2022 were \$-0- and \$-0-, respectively.

J. Advertising

The Companies expense advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2023 and 2022 was \$140,776 and \$197,546, respectively.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies (Continued)

K. Consideration from Suppliers

The Corporation's management has an agreement with certain approved suppliers to provide products to the Corporation's franchisees at favorable rates. These suppliers, who are not affiliated with the Corporation, have agreed to pay a fee to the Corporation based on the quantity of products purchased by their franchisees. These supplies include various pizza toppings and other food and beverage products. At the end of each quarter the Corporation reimburses each store for a percentage of the rebates received.

L. Reclassifications

Certain amounts in the prior year may have been reclassified to conform to current year financial presentation.

M. Inventories

Inventories consist primarily of store supplies, food, and equipment valued by the weighted average method and are adjusted to the lower of cost or market value. Provisions are recorded to reduce inventory for obsolete or slow-moving inventory based on assumptions about future demand and marketability of products, the impact of new product introductions, product spoilage, and specific identification of items, such as product discontinuance.

N. Revenue Recognition

The Corporation earns revenue through sales at their company owned franchises, royalties (Note 11), rebates (Note 1K) and franchise fee income (Note 11).

Sales at company owned franchises are recorded at the time of sale.

The LLC sells gift cards that are redeemable at any of its company owned restaurants. The gift cards do not include an expiration date and are refillable. Revenue from the sale of gift cards is recognized upon redemption. Based on the history with similar gift cards, the LLC currently expects that 3% of the cards will not be redeemed (breakage). The LLC records an allowance on deferred revenue based on breakage and recognized income for all gift cards over seven years old. Unredeemed gift card balances included in current liabilities at December 31, 2023 and 2022 were \$16,786 and \$21,834, respectively.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies (Continued)

O. Recently Issued Accounting Standards

The following accounting pronouncements were recently issued by the FASB:

Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the Combined Balance Sheets.

The Companies elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Companies' Combined Balance Sheet but did not have a material impact on the Combined Statement of Income. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Company to restate amounts as of January 1, 2022, resulting in an increase in operating lease ROU assets of \$292,218 and an increase in lease liability of \$292,218.

Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial assets using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts and loan receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. This standard is effective for fiscal years beginning after December 15, 2022, and requires a modified-retrospective approach. The Company has adopted the provisions of FASB ASC Topic 326 as of January 1, 2023.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 2. Accounts Receivable

	2023	2022
Accounts receivable balance at December 31	\$ 74,529	\$ 69,031
Less allowance for credit losses	<u>(55,443)</u>	<u>(54,479)</u>
Net accounts receivable	<u>\$ 19,086</u>	<u>\$ 14,552</u>

Credit loss expense for the years ended December 31, 2023 and 2022 amounted to \$964 and \$(4,310), respectively.

Note 3. Inventory

As of December 31, inventory consisted of the following:

	2023	2022
Food	\$ 43,449	\$ 50,081
Supplies	25,211	26,849
Equipment	<u>10,158</u>	<u>10,158</u>
Total inventory	78,818	87,088
Less obsolescence allowance	<u>(13,133)</u>	<u>(13,133)</u>
Net inventory	<u>\$ 65,685</u>	<u>\$ 73,955</u>

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 4. Fixed Assets

As of December 31, fixed assets consisted of the following:

	2023	2022
Equipment and vehicles	\$ 599,437	\$ 599,437
Leasehold improvements	471,768	471,768
Software	6,930	6,930
Liquor license	<u>103,830</u>	<u>103,830</u>
Total fixed assets	1,181,965	1,181,965
Less accumulated depreciation	<u>(814,366)</u>	<u>(790,107)</u>
Net fixed assets	<u>\$ 367,599</u>	<u>\$ 391,858</u>

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$24,259 and \$47,322, respectively.

Note 5: Leasing Activities

For the years ended December 31, 2023 and 2022, the Companies are a party to three and five lease agreements for office space, land, and buildings, expiring at various dates through 2037. One lease was with the previous stockholders of the Companies, for a building, with an expiration date of December 31, 2022. The annual rent paid by the Companies to the previous stockholders as of December 31, 2023 and 2022 was \$-0- and \$81,000, respectively. Rent expense for the remaining, short-term, lease for the years ended December 31, 2023 and 2022 amounted to -0- and \$8,400, respectively.

The components of lease expense are included under operating expenses in the Combined Statements of Income as operating lease expenses. For the years ended December 31, 2023 and 2022, operating lease expense was \$88,807. As of December 31, 2023, two of the five leases are short-term leases. Leases with a term of 12 months or less are not recorded on the Combined Balance Sheets. Rent expense is recognized for these leases on a straight-line basis over the lease term.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 5: Leasing Activities (Continued)

The following summarizes the line items in the balance sheets which include amounts for operating lease as of December 31:

	2023	2022
Right-of-use assets:		
Cost	\$ 299,387	\$ 299,387
Less: accumulated amortization	<u>(173,007)</u>	<u>(86,135)</u>
Total right-of-use assets	<u>\$ 126,380</u>	<u>\$ 213,252</u>
Lease liabilities:		
Lease liability – short term	\$ 53,889	\$ 89,084
Lease liability – long term	<u>61,039</u>	<u>114,928</u>
Total operating lease liabilities	<u>\$ 114,928</u>	<u>\$ 204,012</u>

The maturities of lease liabilities were as follows:

Year ending December 31:	
2024	\$ 55,161
2025	14,437
2026	4,800
2027	4,800
2028	4,800
Thereafter	<u>38,800</u>
Total undiscounted cash flows	122,798
Less: present value discount	<u>(7,870)</u>
Total lease liability	<u>\$ 114,928</u>

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 5: Leasing Activities (Continued)

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2023	2022
Weighted Average Remaining Lease Term		
Operating leases	6.85 years	5.45 years
Weighted Average Discount Rate		
Operating leases	1.43%	1.18%

The following summarizes cash flow information related to lease for the years ended December 31:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 91,019	\$ 90,878
ROU assets obtained in exchange for new operating lease liabilities	\$ -	\$ 292,218

Note 6. Loan Receivables

The previous stockholders' borrowed funds during 2022. The loan is recorded as current in the Combined Balance Sheet and is not accumulating interest. As of December 31, 2023 and 2022, the amount receivable from the previous stockholders was \$9,983 and \$72,649, respectively.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 7. Capitalized Loan Origination Costs

Loan origination costs are reported on the Combined Balance Sheets as a direct deduction from the face amount of the related debt. Amortization of debt issuance costs is recorded as interest expense. At December 31, debt issuance costs were as follows:

	2023	2022
Capitalized loan fee	\$ 620	\$ 620
Less accumulated amortization	<u>(262)</u>	<u>(173)</u>
Capitalized loan fee, net	<u>\$ 358</u>	<u>\$ 447</u>

Interest expense relating to capitalized loan fee amounted to \$89 and \$89 during the years ended December 31, 2023 and 2022. Projected future interest expense amounts relating to capitalized loan fees are as follows:

Year ending December 31:	
2024	\$ 89
2025	89
2026	90
2027	90
Thereafter	<u>-</u>
	<u>\$ 358</u>

Total debt including capitalized loans fees at December 31, 2023 and 2022 is as follows:

	2023	2022
Principal amount	\$ 154,523	\$ 189,185
Less unamortized capitalized loan fee	<u>(358)</u>	<u>(447)</u>
Long-term debt less unamortized capitalized loan fee	<u>\$ 154,165</u>	<u>\$ 188,738</u>

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 8. Long-Term Debt

The debt outstanding at December 31, 2023 is as follows:

	2023	2022
On January 31, 2021, the LLC secured a term loan in the amount of \$252,417 with NexTier Bank to refinance all existing loans. The loan is to be repaid in 60 monthly payments of \$3,396, with interest charged at a rate of 3.38% then 23 monthly payments of \$3,384 with a variable interest index based on the 5 Year Federal Home Loan Bank plus a margin of 3 percentage points. The note is collateralized by the Nextier money market account. As of December 31, 2023 and 2022, the note is presented on the Combined Balance Sheets net of capitalized loan origination costs of \$358 and \$447, respectively.	<u>\$ 154,165</u>	<u>\$ 188,738</u>
Less current portion	<u>(35,770)</u>	<u>(34,577)</u>
Total long-term debt	<u>\$ 118,395</u>	<u>\$ 154,161</u>

Maturities of long-term debt are as follows:

Year ending December 31:

2024	\$ 35,770
2025	37,032
2026	38,257
2027	39,717
2028	3,389
Thereafter	<u>-</u>
	<u>\$ 154,165</u>

Note 9. Stockholders' Equity

The Corporation has 150 shares of capital stock held in treasury at a cost of \$34,158.

Note 10. Retirement Plan

The Companies have a 401(k) plan covering all employees who have completed six consecutive full calendar months during which at least 500 hours were worked and have attained age 21. Employees may elect to make pre-tax contributions to the Plan. The Companies elect to make a 100% match on employee contributions between 0% - 3% and a 50% employer match on employee contributions above 3% with a maximum contribution of 4%. The Companies expense for the plan for 2023 and 2022 were \$30,321 and \$33,286, respectively.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 11. Franchising

The Corporation executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreements require the franchisee or licensee to pay an initial, non-refundable fee of \$20,000, unless the franchisee is a multi-unit owner, and continuing royalty fees based upon a percentage of sales. Subject to the Corporation's approval a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise and license agreements are charged to general and administrative expenses as incurred.

When an individual franchise is sold, the Corporation agrees to provide certain services to the franchisee, including site selection, training, systems implementation, and design of a quality control program. The Corporation recognizes initial franchise fee revenue in accordance with Accounting Standards Codification 606, "Revenue Recognition – Revenue from Contracts with Customers" and Accounting Standards Update No. 2021-02, Franchisors – Revenue from Contracts with Customers (Topic 952-606-25-2). In accordance with the standards, the Corporation recognizes certain pre-opening services provided to a franchisee as a one-time performance obligation if the services are consistent with those included in a predefined list within the guidance, such as assistance in site selection, training, and assistance in preparing facilities for their intended use. The remainder of the initial franchise fee shall be recognized evenly over the franchise term. Continuing fees, such as royalties, are recognized as earned, with an appropriate provision for expected credit loss amounts charged to credit loss expense.

Initial fees and transfer fees included in revenue for the years ended December 31, 2023 and 2022 were \$-0- and \$5,000, respectively. Total deferred revenue relating to franchise fees for the years ended December 31, 2023 and 2022 was \$-0- and \$-0-, respectively.

Information about the number of company-owned and franchised stores is as follows:

	2023	2022
Company-owned stores:		
Purchased	-	-
In operation as of December 31	2	2
Franchised stores:		
Sold (transferred)	-	-
Closed	1	1
Opened	-	-
In operation as of December 31	9	10

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2023 and 2022

Note 12. Related Party Transactions

As of December 31, 2023 and 2022 the balance of accounts payable owed to related parties was \$110 and \$412, respectively. See Note 5 for description of leasing transactions with related parties and Note 6 for description of the loan receivable from the former stockholders.

Note 13. Assets Held-for-Sale

During 2022, management closed the LLC's St Mary's location as there were issues with staffing. Management plans to sell all assets of the location to a potential franchisee. All assets of this location are included on the Combined Balance Sheets as Assets Held-for-Sale at the lower of net book value or fair market value. No gain or loss has been recognized. Assets Held-for-Sale is comprised of equipment and leasehold improvements included with the for-sale facility.

Note 14. Employee Retention Credit

Under the Consolidated Appropriations Act, 2021 passed by the United States Congress and signed by the President on December 27, 2020, provisions of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") were extended and modified making the Companies eligible for a refundable employee retention credit subject to meeting certain criteria. During 2023, the Companies amended and re-filed their tax forms. The Companies have not received the total amount of the credit, as such, \$287,598 is included on the Combined Balance Sheets as Other Receivables as of December 31, 2023 and 2022.

Note 15. Subsequent Events

The Companies have evaluated subsequent events through March 22, 2024, the date which the combined financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the combined financial statements.

Audited Combined Financial Statements

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

For the Years Ended December 31, 2022 and 2021

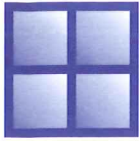
Audited Combined Financial Statements

BUCK’S PIZZA FRANCHISING CORPORATION, INC.

For the Years Ended December 31, 2022 and 2021

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McKeever Varga & Senko

*Certified Public Accountants
Personal Financial Planners
Business Consultants*

Independent Auditor's Report

Board of Directors

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

DuBois, Pennsylvania

Opinion

We have audited the accompanying combined financial statements of Buck's Pizza Franchising Corporation, Inc. (Pennsylvania S corporation) & Buck's Pizza of DuBois, LLC, which comprise the combined balance sheets as of December 31, 2022 and 2021, and the related combined statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Buck's Pizza Franchising Corporation, Inc. & Buck's Pizza of DuBois, LLC as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Buck's Pizza Franchising Corporation, Inc. & Buck's Pizza of DuBois, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Certified Public Accountants

March 16, 2023

Pittsburgh, Pennsylvania

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Balance Sheets

At December 31, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	\$ 454,738	\$ 590,096
Accounts receivable – trade, net of allowance	14,552	20,830
Other receivables	293,984	299,484
Inventory, net of allowance	73,955	73,696
Loan receivable - shareholder	72,649	-
Held for sale	58,161	-
Prepaid expenses	15,354	33,093
Total current assets	983,393	1,017,199
Non-current assets:		
Fixed assets, net of accumulated depreciation	391,858	491,698
Other asset	1,185	1,825
Right of use asset	213,252	-
Total non-current assets	606,295	493,523
Total assets	\$ 1,589,688	\$ 1,510,722
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 43,605	\$ 46,441
Accrued expenses	30,676	31,942
Accrued payroll	19,205	20,123
Loans payable – current portion	34,577	33,411
Lease liability – current	89,084	-
Deferred revenue – gift card, net of breakage	21,834	53,793
Total current liabilities	238,981	185,710
Long-term liabilities:		
Loan payable, net of current portion and loan fees	154,161	188,739
Lease liability, net of current portion	114,928	-
Total liabilities	508,070	374,449
Stockholders' equity:		
Common stock (10,000 shares authorized, par value \$0.01 per share, 2,520 shares are issued and outstanding)	25	25
Additional paid-in-capital	396,849	396,849
Retained earnings (deficit)	718,902	773,557
Cost of treasury stock (150 shares)	(34,158)	(34,158)
Total stockholders' equity	1,081,618	1,136,273
Total liabilities and stockholders' equity	\$ 1,589,688	\$ 1,510,722

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Statements of Income

For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue:		
Sales	\$ 2,774,096	\$ 3,002,408
Royalty income	239,693	241,052
Franchise fee income	5,000	6,213
Rebate income	57,008	60,766
Option agreement fee	-	7,500
Total revenue	3,075,797	3,317,939
Cost of sales	(915,295)	(966,581)
Gross profit	2,160,502	2,351,358
Operating expenses:		
Salaries	1,165,981	1,223,876
Employee benefits	54,677	53,647
Payroll taxes	127,811	133,187
Advertising	197,546	195,597
Utilities and telephone	109,327	103,886
Rebate expense	39,647	42,103
Rent	89,400	181,338
Operating lease expense	88,807	-
Royalties	26,238	30,881
Repairs	28,890	32,228
Legal and professional	16,331	15,325
Travel and entertainment	5,339	5,940
Merchant fees	56,719	55,566
Insurance	53,192	50,919
Interest	7,196	8,699
Equipment	8,299	12,851
Depreciation	47,322	49,688
Office expense	94,241	91,109
Licenses	287	2,906
Training	762	1,262
Contributions	985	1,627
Dues and subscriptions	3,015	2,350
Bad debt expense	(4,310)	2,451
Obsolescence expense	172	12,961
Total operating expenses	2,217,875	2,310,397
Net income (loss) from operations	(57,373)	40,961
Other income (expenses):		
Other income	2,707	7,539
Interest income	11	606
Other expense	-	(1,632)
Paycheck protection loan forgiveness	-	276,556
Employee retention credit	-	722,445
Net income (loss)	\$ (54,655)	\$ 1,046,475

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Statements of Stockholders' Equity

For the Years Ended December 31, 2022 and 2021

	Common Stock	Additional Paid-in- Capital	Treasury Stock	Retained Earnings (Deficit)	Total
Balance at December 31, 2021	\$ 25	\$ 396,849	\$ (34,158)	\$ 773,557	\$ 1,136,273
Net income (loss)	-	-	-	(54,655)	(54,655)
Distributions	-	-	-	-	-
Balance at December 31, 2022	\$ 25	\$ 396,849	\$ (34,158)	\$ 718,902	\$ 1,081,618
Balance at December 31, 2020	\$ 25	\$ 396,849	\$ (34,158)	\$ (155,183)	\$ 207,533
Net income (loss)	-	-	-	1,046,475	1,046,475
Distributions	-	-	-	(117,735)	(117,735)
Balance at December 31, 2021	\$ 25	\$ 396,849	\$ (34,158)	\$ 773,557	\$ 1,136,273

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Combined Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ (54,655)	\$ 1,046,475
Adjustments to reconcile net cash provided by (used for) operating activities:		
Depreciation	47,322	49,688
Forgiveness of debt – paycheck protection loan	-	(276,556)
Payments arising from operating lease	(9,240)	
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	6,278	1,202
(Increase) decrease in other receivables	5,500	(291,046)
(Increase) decrease in inventory	(259)	11,181
(Increase) decrease in prepaid expenses	17,739	(17,272)
(Increase) decrease in security deposits	640	-
Increase (decrease) in accounts payable	(2,836)	11,496
Increase (decrease) in accrued expenses	(1,266)	3,387
Increase (decrease) in accrued payroll	(919)	(34,453)
Increase (decrease) in deferred revenue – gift card	(31,959)	2,806
Increase (decrease) in deferred revenue	-	(8,667)
Net cash provided by (used for) operating activities	(23,655)	498,241
Cash flows from investing activities:		
Purchases of equipment	(5,642)	(11,763)
Net cash provided by (used for) investing activities	(5,642)	(11,763)
Cash flows from financing activities:		
Distributions	-	(117,735)
Loan to shareholder	(72,649)	-
Issuance of debt	-	252,417
Repayment of debt	(33,412)	(314,930)
Net cash provided by (used for) financing activities	(106,061)	(180,248)
Net increase (decrease) in cash and cash equivalents	(135,358)	306,230
Cash and cash equivalents, beginning of year	590,096	283,866
Cash and cash equivalents, end of year	\$ 454,738	\$ 590,096
Supplemental Information:		
Cash paid for interest	\$ 7,107	\$ 8,614
Cash paid for income taxes	\$ -	\$ -
Non-Cash Financing Activities:		
Paycheck protection loan forgiveness	\$ -	\$ 276,556

The accompanying notes are an integral part of these combined financial statements.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

A. Nature of Operations

Buck's Pizza Franchising Corporation, Inc. (the Corporation) was organized and incorporated on September 16, 1994 in Pennsylvania. The Corporation operates as a Buck's Pizza franchisor and has approximately 10 franchises operating in 5 states of the United States. Buck's Pizza of DuBois, LLC (the LLC) was organized and incorporated on April 1, 2010 in Pennsylvania. Buck's Pizza of DuBois operates as a pizza restaurant with two locations.

Buck's Pizza Franchising Corporation, Inc. and Buck's Pizza of DuBois, LLC (the Companies) are under common ownership but are separate legal entities. These financial statements represent the combined balance sheets, statements of income, stockholders' equity and cash flows of the two companies.

B. Basis of Combination

The combined financial statements include the accounts of Buck's Pizza of DuBois, LLC. All significant intercompany accounts and transactions have been eliminated in the combination.

C. Income Taxes

The stockholders' have elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code for both entities. For Federal and Pennsylvania corporate income tax purposes, profits and losses flow from the Corporation and LLC to the stockholders' individual tax returns. The tax returns are generally open for audit for the years ending December 31, 2021, 2020 and 2019.

D. Basis of Accounting

The Companies record income and expenses on the accrual basis of accounting. Income is recognized when earned and expenses are recorded as incurred.

E. Use of Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (Continued)

F. Trade Accounts Receivable

Accounts receivable consist of extensions of credit to franchisees for various pizza products and equipment sold as well as royalties due. Management reviews trade receivables on an individual basis to determine collectability. Management reduces the carrying amount of receivables by an allowance for doubtful accounts that reflects their best estimate of amounts that will not be collected. The Corporation does not currently recognize or accrue interest on any unpaid trade receivables balance.

G. Fixed Assets

Fixed assets are recorded at cost. Depreciation is recorded over the estimated useful life of the assets on a straight-line basis.

H. Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Companies consider all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

I. Deposits Held in Financial Institutions

The Companies maintain cash balances in multiple banks located in Pennsylvania. Cash balances at times may have exceeded the \$250,000 Federal Deposit Insurance Corporation (FDIC) coverage limit during the year. The uninsured balances at December 31, 2022 and 2021 were \$0 and \$132,060, respectively.

J. Advertising

The Companies expense advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2022 and 2021 was \$197,546 and \$195,597, respectively.

K. Consideration from Suppliers

The Corporation's management has an agreement with certain approved suppliers to provide products to the Corporation's franchisees at favorable rates. These suppliers, who are not affiliated with the Corporation, have agreed to pay a fee to the Corporation based on the quantity of products purchased by their franchisees. These supplies include various pizza toppings and other food and beverage products. At the end of each quarter the Corporation reimburses each store for a percentage of the rebates received.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (Continued)

L. Reclassifications

Certain amounts in the prior year may have been reclassified to conform to current year financial presentation.

M. Inventories

Inventories consist primarily of store supplies, food, and equipment valued by the weighted average method and are adjusted to the lower of cost or market value. Provisions are recorded to reduce inventory for obsolete or slow-moving inventory based on assumptions about future demand and marketability of products, the impact of new product introductions, product spoilage, and specific identification of items, such as product discontinuance.

N. Revenue Recognition

The Corporation earns revenue through sales at their company owned franchises, royalties (Note 12), rebates (Note 1K) and franchise fee income (Note 12).

Sales at company owned franchises are recorded at the time of sale.

The LLC sells gift cards that are redeemable at any of its company owned restaurants. The gift cards do not include an expiration date and are refillable. Revenue from the sale of gift cards is recognized upon redemption. Based on the history with similar gift cards, the LLC currently expects that 3% of the cards will not be redeemed (breakage). The LLC records an allowance on deferred revenue based on breakage and recognized income for all gift cards over seven years old. Unredeemed gift card balances included in current liabilities at December 31, 2022 and 2021 were \$21,834 and \$53,793, respectively.

O. Recently Issued Accounting Standards

The following accounting pronouncements were recently issued by the FASB:

Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (Continued)

O. Recently Issued Accounting Standards (Continued)

The Companies elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Companies' combined balance sheet but did not have a material impact on the combined statement of income. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Company to restate amounts as of January 1, 2022, resulting in an increase in operating lease ROU assets of \$292,218 an increase in lease liability of \$292,218.

Note 2. Accounts Receivable

	2022	2021
Accounts receivable balance at December 31	\$ 69,031	\$ 79,619
Less allowance for doubtful accounts	<u>(54,479)</u>	<u>(58,789)</u>
Net accounts receivable	<u>\$ 14,552</u>	<u>\$ 20,830</u>

Bad debt expense for the years ended December 31, 2022 and 2021 amounted to \$(4,310) and \$2,451, respectively.

Note 3. Inventory

As of December 31, inventory consisted of the following:

	2022	2021
Food	\$ 50,081	\$ 50,224
Supplies	26,849	26,275
Equipment	<u>10,158</u>	<u>10,158</u>
Total inventory	87,088	86,657
Less obsolescence allowance	<u>(13,133)</u>	<u>(12,961)</u>
Net inventory	<u>\$ 73,955</u>	<u>\$ 73,696</u>

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 4. Fixed Assets

As of December 31, fixed assets consisted of the following:

	2022	2021
Equipment and vehicles	\$ 599,437	\$ 672,827
Leasehold improvements	471,768	525,496
Software	6,930	6,930
Liquor license	103,830	103,830
	<u>1,181,965</u>	<u>1,309,083</u>
Total fixed assets	1,181,965	1,309,083
Less accumulated depreciation	<u>(790,107)</u>	<u>(817,385)</u>
Net fixed assets	<u>\$ 391,858</u>	<u>\$ 491,698</u>

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to \$47,322 and \$49,688, respectively.

Note 5. Leasing Activities

The Companies are a party to six lease agreements for office space, equipment, land and buildings, expiring at various dates through 2037. One lease is with the owners of the Companies for a building with an expiration date of December 31, 2022. The annual rent paid by the Companies to the owners as of December 31, 2022 and 2021 was \$81,000 and \$81,000, respectively. Three of the six leases are short-term leases. Leases with a term of 12 months or less are not recorded on the balance sheet. Rent expense is recognized for these leases on a straight-line basis over the lease term.

The following summarizes the line items in the balance sheets which include amounts for operating lease as of December 31:

	2022	2021
Operating Leases:		
Right-of-use-assets	<u>\$ 213,252</u>	<u>\$ -</u>
Lease liability – short term	89,084	-
Lease liability – long term	<u>114,928</u>	<u>-</u>
Total operating lease liabilities	<u>\$ 204,012</u>	<u>\$ -</u>

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 5. Leasing Activities (Continued)

The maturities of lease liabilities were as follows:

Year ended December 31,	
2023	\$ 91,019
2024	55,161
2025	14,437
2026	4,800
2027	4,800
Thereafter	<u>43,600</u>
Total undiscounted cash flows	213,817
Less: present value discount	<u>(9,804)</u>
Total lease liability	<u><u>\$ 204,013</u></u>

The line items in the income statements which include the components of lease expense are operating lease expense and rent expense included in operating expenses. For the years ended December 31, 2022 and 2021, operating lease expense was \$88,807 and \$0, respectively. For the years ended December 31, 2022 and 2021, rent expense was \$89,400 and \$181,338, respectively.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2022	2021
Weighted Average Remaining Lease Term		
Operating leases	5.45 years	N/A
Weighted Average Discount Rate		
Operating leases	1.18%	0%

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 5. Leasing Activities (Continued)

The following summarizes cash flow information related to lease for the years ended December 31:

	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	90,878	-
ROU assets obtained in exchange for new operating lease liabilities	292,218	-

Note 6. Loan Receivables

The stockholders' borrowed funds during 2022. They intend to payback the full loan amount during 2023. As of December 31, 2022 and 2021, the amount receivable from the stockholders was \$72,649 and \$-0-, respectively.

Note 7. Line of Credit

The Corporation has a \$30,000 line of credit. The line is secured by substantially all assets of the Corporation. Advances on the line are payable on demand and carry an interest rate of the prime rate plus 1% which amounted to 4.25% at December 31, 2021. The balance of amounts borrowed against the line of credit at December 31, 2021 was \$-0- while the amount available was \$30,000. The amount borrowed during the year ended December 31, 2021 was \$-0-, while the interest paid on the line of credit was \$-0-. The line of credit was not renewed for 2022.

Note 8. Capitalized Loan Origination Costs

Loan origination costs are reported on the Combined Balance Sheets as a direct deduction from the face amount of the related debt. Amortization of debt issuance costs is recorded as interest expense. At December 31, debt issuance costs were as follows:

	2022	2021
Capitalized loan fee	\$ 620	\$ 620
Less accumulated amortization	(173)	(85)
Capitalized loan fee, net	\$ 447	\$ 535

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 8. Capitalized Loan Origination Costs (Continued)

Interest expense relating to capitalized loan fee amounted to \$89 and \$85 during the years ended December 31, 2022 and 2021. Projected future interest expense amounts relating to capitalized loan fees are as follows:

Year ending December 31:	
2023	\$ 89
2024	89
2025	89
2026	90
Thereafter	90
	<u>\$ 447</u>

Total debt including capitalized loans fees at December 31, 2022 and 2021 is as follows:

	2022	2021
Principal amount	\$ 189,185	\$ 222,685
Less unamortized capitalized loan fee	<u>(447)</u>	<u>(535)</u>
Long-term debt less unamortized capitalized loan fee	<u>\$ 188,738</u>	<u>\$ 222,150</u>

Note 9. Long-Term Debt

The debt outstanding at December 31, 2022 is as follows:

	2022	2021
On January 31, 2021, the LLC secured a term loan in the amount of \$252,417 with NexTier Bank to refinance all existing loans. The loan is to be repaid in 60 monthly payments of \$3,396, with interest charged at a rate of 3.38% then 23 monthly payments of \$3,384 with a variable interest index based on the 5 Year Federal Home Loan Bank plus a margin of 3 percentage points. The note is collateralized by a personal investment account of the owners. The note is presented on the Combined Balance Sheet net of capitalized loan origination costs of \$447.	<u>\$ 188,738</u>	<u>\$ 222,150</u>
	188,738	222,150
Less current portion	<u>(34,577)</u>	<u>(33,411)</u>
Total long-term debt	<u>\$ 154,161</u>	<u>\$ 188,739</u>

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 9. Long-Term Debt (Continued)

Maturities of long-term debt are as follows:

Year ending December 31:	
2023	\$ 34,577
2024	35,770
2025	37,032
2026	38,257
2027	39,718
Thereafter	<u>3,384</u>
	<u>\$ 188,738</u>

Note 10. Stockholders' Equity

The Corporation has 150 shares of capital stock held in treasury at a cost of \$34,158.

Note 11. Retirement Plan

The Companies have a 401(k) plan covering all employees who have completed six consecutive full calendar months during which at least 500 hours were worked and have attained age 21. Employees may elect to make pre-tax contributions to the Plan. The Companies elect to make a 100% match on employee contributions between 0% - 3% and a 50% employer match on employee contributions above 3% with a maximum contribution of 4%. The Companies expense for the plan for 2022 and 2021 were \$33,286 and \$30,384, respectively.

Note 12. Franchising

The Corporation executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreements require the franchisee or licensee to pay an initial, non-refundable fee of \$20,000, unless the franchisee is a multi-unit owner, and continuing royalty fees based upon a percentage of sales. Subject to the Corporation's approval a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise and license agreements are charged to general and administrative expenses as incurred.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 12. Franchising (Continued)

When an individual franchise is sold, the Corporation agrees to provide certain services to the franchisee, including site selection, training, systems implementation, and design of a quality control program. The Corporation recognizes initial franchise fee revenue in accordance with Accounting Standards Codification 606, "Revenue Recognition – Revenue from Contracts with Customers" and Accounting Standards Update No. 2021-02, Franchisors – Revenue from Contracts with Customers (Topic 952-606-25-2). In accordance with the standards, the Corporation recognizes certain pre-opening services provided to a franchisee as a one-time performance obligation if the services are consistent with those included in a predefined list within the guidance, such as assistance in site selection, training, and assistance in preparing facilities for their intended use. The remainder of the initial franchise fee shall be recognized evenly over the franchise term. Continuing fees, such as royalties, are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to general and administrative expense.

Initial fees and transfer fees included in revenue for the years ended December 31, 2022 and 2021 were \$5,000 and \$6,213, respectively. Total deferred revenue relating to franchise fees for the years ended December 31, 2022 and 2021 was \$-0- and \$-0-, respectively.

Information about the number of company-owned and franchised stores is as follows:

	2022	2021
Company-owned stores:		
Purchased	-	-
In operation as of December 31	2	3
Franchised stores:		
Sold (transferred)	0	0
Closed	1	4
Opened	0	0
In operation as of December 31	10	10

Note 13. Related Party Transactions

As of December 31, 2022 and 2021 the balance of accounts payable owed to related parties was \$412 and \$493, respectively. See Note 5 for description of leasing transactions with related parties and Note 6 for description of the loan receivable from stockholders.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 14. Assets Held for Sale

During 2022, management closed the LLC, St Mary's location as there was issues with staffing. Management plans to sell all assets of the location to a potential franchisee. All assets of this location are included on the Balance Sheet as assets held for sale at the lower of net book value or fair market value. No gain or loss has been recognized. Held for sale asset include equipment and leasehold improvements included with the for-sale facility.

Note 15. Employee Retention Credit

Under the Consolidated Appropriations Act, 2021 passed by the United States Congress and signed by the President on December 27, 2020, provisions of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") were extended and modified making the Companies eligible for a refundable employee retention credit subject to meeting certain criteria. The Companies recognized a \$-0- and \$722,445 employee retention credit during the years ended December 31, 2022 and 2021, respectively, which is included as other income on the Combined Statement of Income. The Companies have not received the total amount of the credit, as such, \$287,598 is included in other receivables as of December 31, 2022 and 2021.

Note 16. Government Loans

Paycheck Protection Program (the "PPP")

On April 13, 2020, Buck's Pizza Franchising Corporation, Inc., the Corporation, was granted a loan from Nextier Bank, in the aggregate amount of \$45,625 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. During the year ended December 31, 2021, Nextier Bank notified the Corporation that the United States Small Business Administration (the "SBA") provided forgiveness for the full amount of the PPP Loan, plus all related accrued interest. The gain associated with the forgiveness is presented on the Combined Statements of Income as Paycheck protection forgiveness.

On April 13, 2020, Buck's Pizza of DuBois, LLC, the LLC, was granted a loan from Nextier Bank, in the aggregate amount of \$230,931 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. During the year ended December 31, 2021, Nextier Bank notified the LLC that the United States Small Business Administration (the "SBA") provided forgiveness for the full amount of the PPP Loan, plus all related accrued interest. The gain associated with the forgiveness is presented on the Combined Statements of Income as Paycheck protection forgiveness.

The Companies elected to account for the forgivable loan as debt under FASB Accounting Standards Codification Topic 470, Debt.

BUCK'S PIZZA FRANCHISING CORPORATION, INC.

Notes to Combined Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

Note 17. Subsequent Events

On January 1, 2023, the Corporation and the LLC owners gifted ownership interests of the companies. The two new owners received 1,260 shares each, of the 10,000 authorized shares of the Corporation. The value of those stocks approximates the net book value of the equity accounts at December 31, 2022.

The Companies have evaluated subsequent events through March 16, 2023, the date which the combined financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the combined financial statements.

EXHIBIT D

LIST OF ADMINISTRATORS

STATE ADMINISTRATORS

CALIFORNIA

Department of Corporations:

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7500
1-866-275-2677 toll free

San Francisco

71 Stevenson Street Suite 2100
San Francisco, CA 94105-2980
(415) 972-8559
1-866-275-2677 toll free

CONNECTICUT

Securities & Business Investment
Division Services
Connecticut Department of Banking
44 Capitol Avenue
Hartford, Connecticut 06106
(203) 566-4560

FLORIDA

Department of Agriculture and Consumer
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

HAWAII

Department of Commerce and Consumer Affairs
1010 Richards Street
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

Franchise Section Supervisor of Regulated Industries Unit
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

IOWA

Iowa Securities Bureau, 2nd fl.
Lucas State Office Building
Des Moines, Iowa 50319
(515) 281-4441

MARYLAND

Registered Agent:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-7044

State Authority:

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

Franchise Administrator
Consumer Protection Division
Antitrust & Franchise Unit
Department of Attorney General
760 Law Building
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

Franchise Examiner
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(612) 296-4026

NEW YORK

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for service of process for New York:
New York Secretary of State
99 Washington Avenue
Albany, NY 12231
518-473-2492

OREGON

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

UTAH

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
P. O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

NEBRASKA

Department of Banking and Finance
1200 N. Street, Suite 311
P. O. Box 95006
Lincoln, Nebraska 68509
(402) 471-3445

NORTH DAKOTA

Franchise Examiner
Office of Securities Commissioner
600 East Boulevard, 5th floor
Bismarck, North Dakota 58505
(701) 224-4712

RHODE ISLAND

Securities Examiner
Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 277-3048

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475-1769

VIRGINIA

Registered Agent
Clerk of State Corporation Commission
1300 E. Main Street, 1st floor
Richmond, Virginia 23219
(804) 371-9733
State Administrator
State Corporation Commission
Div. of Securities & Retail Franchising
1300 East Main Street, 9th floor
Richmond, Virginia 23219
804-371-9051

WASHINGTON

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

WISCONSIN

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
P. O. Box 1768
Madison, Wisconsin 53701
(608) 266-1064

ALBERTA

Director of Franchises
Alberta Securities commission Agency
21st Floor
10025 Jasper Avenue
Edmonton, Alberta T5J 3Z5
Canada
(403) 427-5201

Buck's Pizza Franchising Corporation, Inc. FDD

EXHIBIT E

LIST OF FRANCHISEES

Buck's Pizza
LIST OF FRANCHISEES
(12/31/23)

Georgia

1200 Highway 74 South
Peachtree City, GA 30269

PH: 770-631-8989

Jeff Mahaffey

New York

23 Main Street
Gloversville, NY 12078

PH: 518-773-8200

Mary Jo Faville

North Carolina

406-C West Fleming Drive
Morganton, NC 28655

PH: 828-433-9006

Jeff & Sherry Whisnant

30 North Trade Street
Tryon, NC 28782

PH: 828-859-0400

Tyler Philpott

Pennsylvania

P.O. Box 405
DuBois, PA 15801

PH: 814-371-4500

Evelyn Benton

3055 Park Place
Clearfield, PA 16830

PH: 814-765-7767

Evelyn Benton

South Carolina

113 Robertson Blvd.
Walterboro, SC 29488

PH: 843-549-1995

Chenoa Berry

1660 Sam Rittenberg Blvd.
Charleston, SC 29407

PH: 843-766-3233

Carlye Hamilton

1856 B South Lake Drive
Lexington, SC 29073

PH: 803-957-6100

Rick Gagnepain

Texas

11540 Eagle Drive
Mont Belvieu, TX 77523

PH: 281-576-2825

Tammy Veach

907 El Dorado Blvd.
Clear Lake, TX 77062

PH: 281-474-2825

Mark Evans

EXHIBIT F

LIST OF FORMER FRANCHISEES

Exhibit F

Buck's Pizza

Former Franchisees (2023)

The following is a list of Buck's Pizza franchisees who left the system or transferred ownership to another party in 2023. For additional information, please see Item 20 of this Franchise Disclosure Document:

Rick Gagnepain
424 Clermont Lakes Drive
Lexington, SC 29073
803-356-2902

Eduardo & Leticia Diaz
1813 West Ventura Drive
Pharr, TX 78577
956-279-4576

EXHIBIT G

OPERATING MANUAL TABLE OF CONTENTS

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EXHIBIT H

STATE SPECIFIC APPENDIX

**ADDENDUM TO
BUCK'S PIZZA FRANCHISING CORPORATION, INC.
MULTI-STATE
FRANCHISE DISCLOSURE DOCUMENT**

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR NEW YORK RESIDENTS**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 of the Buck's Pizza Franchise Disclosure Document (the "FDD") is amended by adding the following paragraphs:

"Neither Buck's nor any person identified in Item 2:

A. has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of

1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4 of the FDD is amended by adding the following paragraph:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

5. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

6. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

7. Item 23 of the FDD is amended by adding the following statement:

“We must provide the Franchise Disclosure Document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship.”

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC
RIDERS TO THE FRANCHISE AGREEMENT**

**ADDENDUM TO FRANCHISE AGREEMENT
FOR NEW YORK RESIDENTS**

1. Section 5.A of the Franchise Agreement is amended by deleting the following words from the first sentence: “or at such place and”.
2. Section 16.A of the Franchise Agreement is amended by adding the following sentence:

“However, no assignment shall be made except to an Assignee who, in the good faith judgment of BUCK’S, is willing and able to assume BUCK’S obligations under this Agreement.”
3. The second sentence of Section 17.A of the Franchise Agreement is amended by inserting the words “to apply for” before the words “temporary and permanent injunctions”.

BUCK’S PIZZA FRANCHISING
CORPORATION, INC.

FRANCHISEE

If Franchisee is an individual:

By: _____

Print Name: _____

Title: _____

Date: _____

If Franchisee is a corporation or
other entity:

(Print or type name of Franchisee)

By: _____

Title: _____

Print Name: _____

Date: _____

EXHIBIT I

State Effective Dates

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
New York	June 14, 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

RECEIPTS

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Buck's offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Your state's law may require Buck's to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business 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. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Buck's does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

Buck's agent for service of process in Pennsylvania is Jonathan T. Krassenstein, Esq., Strassburger McKenna Gutnick & Gefsky, Four Gateway Center, Suite 2200, 444 Liberty Ave, Pittsburgh, PA 15222. We authorize the state agents identified on Exhibit D to receive service of process for us in the states listed.

The following franchise seller was involved in the offering of this franchise:

1. The following employee of Buck's, having a principal business address and telephone number the same as Buck's: _____.

2. The following area director or broker: _____, having a principal business address at _____, telephone number _____.

I received a Disclosure Document dated _____, that included the following Exhibits:

Exhibit A	Franchise Agreement
Exhibit B	Area Directors
Exhibit C	Financial Statements
Exhibit D	List of Administrators
Exhibit E	List of Franchisees
Exhibit F	List of Former Franchisees
Exhibit G	Operating Manual Table of Contents
Exhibit H	State-Specific Appendix
Exhibit I	State Effective Dates Page
Exhibit J	Receipt

FRANCHISEE:

(If Franchisee is a corporation or other entity)

Date: _____

By: _____

Title: _____

Franchisee's Address: _____

FRANCHISEE:

(If Franchisee is an Individual)

Date: _____

Print Name: _____

Signature: _____

The Issuance Date of this Offering Circular is April 1, 2024.

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Buck's offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Your state's law may require Buck's to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business 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. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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The following franchise seller was involved in the offering of this franchise:

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Exhibit J	Receipt

FRANCHISEE:

(If Franchisee is a corporation or other entity)

Date: _____

By: _____

Title: _____

Franchisee's Address: _____

FRANCHISEE:

(If Franchisee is an Individual)

Date: _____

Print Name: _____

Signature: _____

The Issuance Date of this Offering Circular is April 1, 2024.