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FRANCHISE DISCLOSURE DOCUMENT

Jet's America, Inc.
37501 Mound Road
Sterling Heights, Michigan 48310
586-268-5870
Sales@jetspizza.com
www.jetspizza.com

The franchise being offered is for a restaurant serving pizza calzones, salads and other food, primarily for carry-out and delivery under the name "Jet's Pizza®." The total investment necessary to begin operation of a single Jet's Pizza franchise ranges from $572,500 to $786,000. This includes $30,000 (or $15,000 if you qualify for the 50% military discount) that must be paid to the franchisor or affiliate.

The total investment necessary for an Area Development Agreement, assuming it allows for development of three stores, is $75,000 (or $37,500 if you qualify for the 50% military discount), which is in addition to the cost of each single franchise to be developed, which amount must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Sales Department at 37501 Mound Road, Sterling Heights, Michigan 48310, (586) 268-5870, Sales@jetspizza.com.

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

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

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

Issuance Date: April 26, 2024

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 Jet'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 Jet's Pizza franchisee?	Item 20 or Exhibits D and E lists 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.

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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 H.

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.

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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 us by litigation only in the judicial district in which we have our principal place of business at the time the action is commenced, which is currently Michigan. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to sue us in Michigan or a state other than in your own state.

2. **Minimum Royalty**. You must make minimum royalty and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) for your state requires other risks to be highlighted.

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Franchise Disclosure Document
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EXHIBITS

A	FRANCHISE AGREEMENT, INCLUDING SCHEDULES
B	FINANCIAL STATEMENTS
C	JET'S PIZZA OPERATIONS MANUAL TABLE OF CONTENTS
D	LIST OF CURRENT JET'S PIZZA, INC. FRANCHISEES AND AFFILIATES
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F	GUARANTY
G	RELATED PARTY CONFIDENTIALITY AGREEMENT
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I	BUSINESS PURPOSE AFFIDAVIT
J	OWNERSHIP CERTIFICATE
K-1	SAMPLE FORMS OF TRANSFER AGREEMENTS
K-2	ROYALTY ADDENDUM FOR TRANSFER – FRANCHISE AGREEMENT
L	RENEWAL ADDENDUM – REMODELING REQUIREMENTS
M	GENERAL RELEASE UPON RENEWAL
N	LIST OF STATE ADMINISTRATORS
O	AGENTS FOR SERVICE OF PROCESS
P	STATE-SPECIFIC DISCLOSURES AND CONTRACT ADDENDA
Q	AREA DEVELOPMENT AGREEMENT
R	STATE EFFECTIVE DATES AND RECEIPT

The information in this disclosure document, including any Exhibits, is the confidential property of Jet's America, Inc. This disclosure document is being provided to you for your use in considering the purchase of a Jet's Pizza restaurant franchise and for no other reason. Any other use, copying or disclosure is strictly prohibited.

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Item 1: The Franchisor and any Parents, Predecessors, and Affiliates

Franchisor and Principal Business Address:

Jet's America, Inc.
37501 Mound Road
Sterling Heights, Michigan 48310

To simplify the language in this Disclosure Document, "Jet's" means Jet's America, Inc., the franchisor. Jet's may also be referred to as the "Franchisor," "we" or "us," or with similar pronouns. "You" means the person who buys the franchise. If you are a corporation, partnership, limited liability company, or other entity, your "Owners" means all of your stockholders, partners, members or other owners.

Jet's is a Michigan corporation and was incorporated on June 8, 1990. Jet's conducts business as "Jet's America, Inc." and as "Jet's Pizza."

Our affiliate is JAI Productions, Inc. Its principal business address is 37501 Mound Road, Sterling Heights, Michigan 48310. JAI Productions, Inc. has been in business since 2018 and collects rebates and processes payment for all of our franchise system items including the loyalty program, the advertising retainer fee, and the database.

Our registered agents for service of process are disclosed in Exhibit O to this Disclosure Document.

Jet's grants franchises certain rights to own and operate restaurants under the trade name "Jet's Pizza," selling pizza, calzones, salads and other food to the public, primarily for carry-out and delivery. A typical Jet's Pizza restaurant is about 1,200 - 1,500 square feet, and is located in a strip shopping center in a heavily populated urban or suburban area. Your competition will include a variety of pizza and fast food restaurants, including national and regional chains, independent restaurants, and some convenience stores.

If we approve you for a single Jet's Pizza restaurant franchise, you will have the opportunity to sign a franchise agreement ("Franchise Agreement") with us. Our current form of Franchise Agreement is attached as Exhibit A to this Disclosure Document. Under the Franchise Agreement, we grant you the right to operate a single Jet's Pizza restaurant ("Restaurant") at a location that we approve ("Location").

We own certain trademarks, services marks, trade names, domain names, logos, emblems and other commercial symbols (collectively, the "Marks"). See Item 13 for further information regarding the Marks.

You must operate your Restaurant using our franchise system ("Franchise System"), which is described in the Franchise Agreement and the Jet's Operations Manual ("Operations Manual"). We may periodically change, improve, or further develop the Franchise System.

Jet's also offers multi-unit development rights to qualified franchisees to develop a certain number of Jet's Pizza restaurants within a defined area according to a pre-determined development schedule, as outlined in the terms of an Area Development Agreement. The Area Development Agreement is found in Exhibit Q. You do not have to enter into any Franchise Agreements at the time you enter into an Area Development Agreement. However, for each Restaurant you develop under the

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Area Development Agreement, you must sign our then-current form of Franchise Agreement that we offer to new franchisees, the terms, and conditions of which may be substantially different from those contained in the Franchise Agreement attached to this disclosure document (including, for example, with respect to higher fees, shorter term, or other factors more burdensome to you).

The market for our products, and fast food restaurants in general, is very well developed and very competitive. You will compete with other pizza restaurants, as well as other franchised, chain, or independent restaurants offering similar items as Jet's Pizza as well as a wide variety of other foods.

You must comply with all local, state, and federal laws that apply to your Restaurant operations, including health, sanitation, smoking, United States Department of Agriculture, Equal Employment Opportunity Commission, and Occupational Safety and Health Administration regulations, Food and Drug Administration regulations on nutrition labeling of standard menu items, other food and safety regulations, and anti-discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act requires readily accessible accommodations for people with disabilities and therefore may affect some of your operations. You should consult with your attorney concerning these and other laws and ordinances that may affect your Restaurant operations.

You are responsible for all employment decisions of the Restaurant, including those related to recruiting, hiring, firing, scheduling, training (other than the brand training required by the Franchise Agreement), pay, benefits, personnel policies, record keeping, supervision, safety, security, and discipline of all workers. Any information we provide about employment matters, whether voluntarily or in response to your request, and whether provided directly or by means of any technology tools, is a recommendation only and not intended to exercise control over your employees, their wages, hours or working conditions, or the means and manner by which they carry out their duties. You must clearly inform all workers, before hiring and periodically thereafter, that you, and not Jet's, is their employer and that Jet's does not assume and will not accept any employer, co-employer or joint employer obligations. You must indemnify us against any claim that we are the employer, co-employer, or joint employer of any of your owners or workers.

Jet's began offering Jet's Pizza franchises in 1990. It has not and does not offer franchises in any other line of business, or engage in any other business, but reserves the right to do so in the future.

Jet's has no parents, has no affiliates that offer franchises in any line of business, and has no predecessors. Jet's has no affiliates that provide products or services to the franchisees of Franchisor.

Although it does not operate any locations or franchises directly, Jet's has several affiliates that, as of December 31, 2023, operate 54 Jet's Pizza franchises similar to the franchised restaurants being offered.

Apart from these franchises, neither we nor our affiliates do business under any name other than "Jet's America, Inc.," or "Jet's Pizza." Neither we nor our affiliates offer, or have ever offered, any other type of franchise.

Other than statutes and regulations applicable to food service establishments generally, there are no

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special regulations for the preparation and sale of pizza in your state. Under the general regulations governing food service establishments, your employees may have to become certified food handlers. To obtain certification, your employees may be required to attend instructional courses, pass tests and pay a fee. You should check with city, township, and county regulatory agencies to determine if certification will be required.

You must comply with all local, state, and federal laws that apply to your restaurant operations, including health, sanitation, smoking, United States Department of Agriculture, Equal Employment Opportunity Commission, and Occupational Safety and Health Administration regulations, other food and safety regulations, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act requires readily accessible accommodations for people with disabilities and therefore may affect some of your operations. You should consult with your attorney concerning these and other laws and ordinances that may affect your restaurant operations.

Item 2: Business Experience

President: John Jetts

2014-Present

John Jetts was vice president and a director of Jet's since its incorporation in 1990, before becoming president on December 5, 2014. After completing high school, he assisted Eugene Jetts in the opening of Jetts Party Shop & Pizzeria in Sterling Heights, Michigan, in August 1978. He has actively assisted in developing the Jet's Pizza system. He has also been an officer and director of each affiliate since its date of incorporation.

Secretary and Treasurer: Amanda Romeo

2014-Present

Amanda Romeo has been working with Jet's since 2007. From 2011 to 2019, she was the Accounting Manager for Jet's. She was elected as Secretary and Treasurer of Jet's on December 5, 2014, and has been serving as the Legal Secretary for Jet's since 2019.

Vice President – Franchise Sales: James W. Galloway, Jr.

1994-Present

James W. Galloway, Jr. has worked on a part-time and occasional basis for Jetts Party Shop & Pizzeria and various affiliates since 1978. In October 1986, he became an officer and director of our affiliate, J.S. Investments, Inc., and has since become an officer and director of several other affiliates. Jim has been a vice president of Jet's since December 1993. Since March of 1994, Jim has devoted his full time efforts to Jet's.

Vice President – Store Operations: Jeffrey Galloway

1994-Present

Jeffrey Galloway has been a vice president of Jet's since December 1993. He began working on a part-time basis for Jetts Party Shop & Pizzeria, Inc. in 1982. In October of 1986, he became an officer

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and director of our affiliate, J.S. Investments, Inc., and has since become an officer and director of several other affiliates.

Item 3: Litigation

Gregory Joseph Fekin v. Members of Kentucky #3, LLC., et al. (Macomb County Circuit Court, Case No. 2021-001643-CB). On May 4, 2022, plaintiff brought a claim against Jet's, two Franchisor-owned franchises, as well as John Jetts, James Galloway, and Amanda Romeo in their capacity as members or managers of the Franchisor-owned franchises, claiming willfully unfair and oppressive conduct under § 450.4515 of the Michigan Limited Liability Company Act, breach of contract, and breach of fiduciary obligations in relation to plaintiff's ownership in the Franchisor-owned franchises. Jet's was solely brought into the lawsuit on a breach of contract claim related to the promissory note plaintiff had committed himself to paying in return for his ownership in the Franchisor-owned franchises. Without an admission of wrongdoing, on November 21, 2022 the parties entered into a confidential settlement agreement, which provided in pertinent part that Jet's would pay plaintiff $222,250.00 in exchange for a release of claims. The case was dismissed on December 30, 2022.

Robert McDonald v. Jet's America, Inc. (Case No. 2021 CH 00658, Circuit Court of Cook County, Illinois). On February 10, 2021, plaintiff, on his own behalf and on behalf of other similarly situated, filed a putative class action complaint against Jet's, alleging violations of the Illinois Biometric Information Privacy Act, 740 ILCS 14/1 et seq. and seeking monetary damages, including an award of attorneys' fees, and injunctive and other equitable relief. The lawsuit was premised principally upon Jet's alleged use of biometric identifiers (thumbprints) for employee timekeeping purposes. The parties reached a settlement in principle in February 2022. Under the settlement, Jet's agreed to pay a total of $9,500, inclusive of all costs.

Item 4: Bankruptcy

No bankruptcy is required to be disclosed in this Item.

Item 5: Initial Fees

The initial franchise fee is $30,000; except for certain franchises established pursuant to an Area Development Agreement as described above and for those franchisees which qualify for a military discount. If a franchisee is at least 20% owned by a person who is in active duty or has served in the military, naval or air service and was not dishonorably discharged, then the Initial Franchise Fee will be $15,000, reflecting a 50% military discount. The initial franchise fee is due when you sign the Franchise Agreement and is not refundable under any circumstances. The initial franchisee fee may be waived at Jet's discretion for certain affiliate stores.

If you acquire area development rights, you must pay an area development fee when you sign the Area Development Agreement. The amount of the area development fee depends upon the number of franchises that you will have the right to develop under the Area Development Agreement and whether you qualify for 50% the military discount. Jet's requires a $30,000 fee for the first franchise

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location, a $25,000 fee for the second location, a $20,000 fee for the third location, and a $15,000 fee for any additional location. If you qualify for the military discount, Jet's will require a $15,000 fee for the first franchise location, a $12,500 fee for the second location, a $10,000 fee for the third location, and a $7,500 fee for any additional location. Jet's will grant the right to acquire a minimum of three franchises under an Area Development Agreement, and the area development fee in this circumstance is $75,000, or $37,500 for franchisees with the military discount. The area development fee must be paid in full, and is fully earned, at the time the Area Development Agreement is signed. In general, the area development fee includes the initial franchise fee for the franchises opened under the Area Development Agreement, unless a franchisee is opening additional franchises. The area development fees are not refundable under any circumstances.

Item 6: Other Fees

The following chart summarizes other fees imposed by us under the Franchise Agreement.

Fee	Amount	Due Date	Remarks
Royalty Fee - All franchisees	12% of Acquired Inventory; minimum of $1,200 per month	15th day of each month	(Notes 1 and 2) Royalty percentages are lower for corporate-owned affiliate locations. Jet's corporate-owned affiliates pay royalty rates ranging from 1% to 12%. Certain franchises operating under a prior version of the franchise agreement may pay a lower fee.
Fees to the General Advertising Fund	Up to 10% of Acquired Inventory	15th day of each month	Up to 10% of Acquired Inventory (Note 1 and 2).
Fees to the Regional Advertising Fund	Formula to be determined by Jet's; currently 25¢ per box purchased for ordinary expenses (for some regions) or a weekly flat fee ranging from $0 to $1,000.00. Any additional amounts that Jet's requires for regional advertising initiatives (e.g., tv, social media, digital or radio ads).	Weekly	Jet's currently has several regional advertising funds, one of which you would be required to join; each fund establishes contribution rates, which are determined by Jet's and have no maximum; the amount you contribute will count toward the total minimum amount you must spend on advertising monthly.
Technology Fee	Up to 2% of Acquired Inventory when established by Jet's	15th day of each month	Up to 2% of Acquired Inventory; currently not imposed, but can be imposed on 90 days notice. (Notes 1, 2 and 8)
Gift Card Program and Loyalty	Currently $25 - $99	Monthly	Subject to increase or decrease by the outside vendors which

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Fee	Amount	Due Date	Remarks
Program Administration Fees			administer the Programs. (Note 9)
Audit	Cost of audit	When billed	Payable only if an audit shows an underpayment of royalties, contribution required for advertising, or any other fees, of at least 5% of the correct amount.
Training Fee for Additional Training	$1,000 per person, not including training apparel (estimated cost of apparel is between $100-$200)	Before training	The initial training of two persons is included in the initial franchise fee; the training fee applies to each additional person to be trained; the fee is subject to change at Jet's discretion.
Additional Support	$30 per hour plus out-of-pocket expenses	Estimated costs due before support; balance due upon submission of invoice	Jet's hourly fee is subject to change at Jet's discretion.
Meetings, Seminars, Webinars, and Training Programs	(Note 3)	Before meeting, seminar, webinar, or program	
Evaluation Fee (Approval of New Supplier)	$1,000, plus out-of-pocket expenses	Fee plus estimated costs due before Jet's begins evaluation; balance due upon submission of invoice	Jet's will evaluate proposed new suppliers. The fee may be paid by you or the proposed new supplier. The fee is subject to change periodically by Jet's.
Transfer Fee	Up to $6,000	Before or at time of transfer	The fee may be lower depending on the complexity of the transfer.
Renewal Fee	$4,000	Upon renewal	Certain franchises operating under a prior version of the franchise agreement may pay a

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Fee	Amount	Due Date	Remarks
			lower fee.
Interest on Late Payments	Lower of 1.5% per month or maximum rate allowed by law	Same as late fee or payment on which it accrues	If you are an individual, you must sign a business purpose affidavit. A copy of the current form of affidavit used by Jet's is attached as Exhibit I
Administrative Fees for Certain Defaults	Up to $1,000 for minor defaults, but up to $30,000 for other defaults	Upon certain defaults	(Note 4)
Liquidated Damages	$20,000	Upon termination of Franchise due to your default	(Note 5)
Late Payment Fee	1.5% of the original amount due, but not paid on time.	Due immediately upon missing a payment due date.	Compensates Franchisor for increased costs due to the late payment. (Note 4)
Indemnification	Will vary with circumstances	As incurred	(Note 6)
Reimbursement of Monies Paid on Behalf of Franchisee	Will vary with circumstances	Within 15 days of request by Jet's	(Note 7)

Notes:

Unless otherwise noted, all fees or its formula is uniformly imposed.

1. "Acquired Inventory" means your cost for all inventory and supplies (including but not limited to food ingredients, beverages, packages, cups, boxes, napkins, plastic ware, and cleaning supplies) paid for during the reporting period. Jet's uses a monthly reporting period but reserves the right to require payment via pre-authorized electronic bank debit.

2. Except as otherwise noted, all fees are non-refundable and payable to us.

3. To date we have not charged any fees, but we reserve the right to charge a fee for certain meetings, seminars, webinars, or training programs, and you would be responsible for your own costs of attendance at such meetings, including but not limited to travel, meals, and lodging.

4. We may impose reasonable administrative fees of up to $1,000 for certain minor defaults under the Franchise Agreement. For some more serious defaults, we may impose higher fees: such as $3,000 for failure to comply timely with renewal conditions, $20,000 for a Disparagement Fee, and $25,000 in the event of a credit card breach. You must notify Jet's immediately upon knowledge of any activity that may trigger the Disparagement Fee. The current schedule of administrative fees is attached as Schedule 5 to the Franchise Agreement. We may also impose a 10% late payment fee. If you make more than two late payments to us in any 6-month period, we may require you to deposit

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with us an amount equal to six times the last overdue payment.

5. If you default and we terminate your franchise, you must pay us within 30 days after the termination effective date, liquidated damages of $43,200 to us for lost royalties that would have been paid if the franchise had not been terminated (unless there are less than 36 months remaining in the term of the Franchise Agreement, in which case the number of months multiplied by $1,200 will equal the liquidated damages). Any liquidated damages we are entitled to only cover damages from the loss of royalties, and do not cover other damages to which we may be entitled to pursue from your other actions or inactions.

6. You must indemnify, defend, and hold harmless us, our employees, agents and attorneys, and other franchisees, their employees, agents and attorneys, against any and all claims, liabilities, losses, costs, or expenses (including reasonable attorney fees) arising out of your operations or activities related to the franchise, its ownership of its assets, or its occupation of its premises.

7. You must pay to Jet's, within 15 days of any written request by Jet's which is accompanied by substantiating material, any monies which Jet's has paid, or has become obligated to pay, on your behalf.

8. Currently, no Technology Fee is imposed, but Jet's may institute a Technology Fee upon 90 days written notice to you in an amount up to 2.0% of your Acquired Inventory. (Section 6.8) The Technology Fee shall be used to fund technology expenditures as determined by Jet's and may include but are not limited to providing the Franchise System with general assistance and guidance on Technology Systems, technology-related matters, researching and developing new technologies such as hardware, software and cloud-based services, network maintenance and upgrading, website internet/intranet capabilities and internal and external data storage and archiving.

9. The monthly fees may be increased or decreased in the future to cover administrative costs, at Jet's discretion. These fees are currently counted towards your minimum monthly advertising spending requirements, but Jet's reserves the right to separate these fees from the minimum monthly advertising spending requirements and charge the fees in addition to any other fee or spending requirement.

Item 7: Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Item	Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee*	$15,000 or $30,000	Lump sum	At signing of Franchise Agreement	Jet's
Travel and living expenses while training	$9,000 to $15,000	As incurred	During training	Airlines, hotels, restaurants, car rental, etc.
Security deposit (Note 1)	$4,000 to $10,000	Lump sum	Upon signing lease	Landlord
Rent - 3 months (Note 1)	$7,500 to	Monthly	Monthly or	Landlord

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Item	Amount	Method of Payment	When Due	To Whom Paid
	$20,000		according to lease	
Blueprints	$10,000 to $15,000	Lump sum	Before opening	Architect
Leasehold improvements (Note 2)	$300,000 to $400,000	As incurred	Before opening	Suppliers, contractors, etc.
Fixtures and equipment	$175,000 to $225,000	Lump sum	Before opening	Vendors
POS System	$20,000 to $30,000	Lump sum	Before opening	Vendors
Computer maintenance costs	$1,500 to $2,000	Lump sum	Before opening	Vendors, who are not affiliates
Miscellaneous opening costs (Note 3)	$3,000 to $6,000	As incurred	Before opening	Suppliers, utility companies
Opening inventory (Note 4)	$12,000 to $14,000	Lump sum	Before opening	Suppliers and including mandatory beverages
Insurance (Note 5)	$10,000 to $16,000	Lump sum	Before opening	Insurance company
Working Capital/Additional funds - 3 months (Note 6)	$60,000	As incurred	As incurred	Employees, Jet's
TOTAL (Notes 7, 8, & 9)	$572,500 to $786,000			

* If the franchisee is at least 20% owned by a person in active duty or who has served in the military, naval or air service and was not dishonorably discharged, then the Initial Franchise Fee will be $15,000, reflecting a 50% military discount. Otherwise, the Initial Franchise Fee will be $30,000.

If you are renewing your franchise, you will not incur most of these costs because your Jet's Pizza Franchise is already open. You must, however, make certain modifications and improvements to your Jet's Pizza Franchise to meet our current standards. The costs associated will depend on the condition of your Jet's Pizza Franchise.

Other Notes:

1. This table assumes you will lease space for your Jet's Pizza franchise. A new Jet's Pizza restaurant typically has 1,200 - 1,500 square feet and is located in a strip shopping center in a heavily populated urban or suburban area. Rent varies widely depending upon local market conditions. Rent is estimated to be $30,000 to $60,000 per year depending upon factors like the amount of space, condition, and location of the leased premises, and whether you or your landlord will construct the interior of the

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premises. The security deposit is estimated to be one or two months' rent. Although we anticipate you will lease space for your Jet's Pizza franchise, it is possible that you may decide to buy real estate on which a building suitable for the Jet's Pizza franchise is already constructed or could be constructed. Real estate costs depend on several factors, including location, size, visibility, economic and market conditions, and the type of ownership interest being purchased. As such, this initial investment table does not reflect the purchase of costs of real estate or of constructing a building suitable for the Jet's Pizza franchise.

2. Includes normal costs of installation of utilities and fees for building permits and inspections for a typical commercial space. This does not include extraordinary costs that may be necessary due to the age or condition of the building, or for water or sewer taps, which may be necessary in rare instances. This also does not include fees that may be charged by local government departments and agencies, which may vary greatly from jurisdiction to jurisdiction. If you, as opposed to your landlord, bear the cost of your leasehold improvements, the cost will tend toward the higher end of the range in the table but your rent will tend toward the lower end of the range in the table; and vice versa if your landlord bears the cost of your leasehold improvements.

3. Includes utility deposits and utility costs during improvements, the cost of organizing your business, sales tax license and health department certification.

4. Opening inventory includes all of your opening inventory and supplies, including food ingredients, beverages, packages, cups, boxes, napkins, plastic ware and cleaning supplies.

5. Includes worker's compensation, personal property and public liability insurance, and delivery and non-owned automobile insurance to cover employee vehicles used to pick up supplies and deliver food. This figure represents the estimated cost for three months of coverage.

6. This includes estimated payroll costs, royalty fees, advertising, and assumes a typical level of income, for the initial three months of business. These figures are estimates and Jet's cannot guarantee that you will not have additional expenses or a lower level of income in starting the business. Your costs will depend on factors like how much you follow Jet's methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our product, the prevailing wage rate, the level of competition, and the sales level reached during the initial period. We relied upon our previous experience with our affiliated Restaurants as well as those franchisees who informed us of their experiences. These estimates involve Restaurants which follow our grand opening and marketing plans.

Item 8: Restrictions on Sources of Products and Services

You must purchase all of your leasehold improvements, furniture, furnishings, fixtures, and equipment (including pizza ovens, mixer, walk-in coolers, electronic cash register, computer hardware and software, preparation tables and utensils, and signs), inventory (food ingredients as well as packaging and paper products) and supplies (including advertising materials) according to specifications set by Jet's and from approved suppliers. See Item 11 for more detail regarding required computer hardware and software. We have total discretion to limit the suppliers with whom you deal with respect to your Jet's Pizza Franchise. We restrict your sources to protect our trade secrets, assure quality and a reliable source of products meeting our standards. You must purchase the signs that you will need for your Restaurant from an approved supplier.

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Currently, Jet's sole supplier for soda and other drinks available for purchase in stores or online is PepsiCo ("Pepsi"). Jet's also utilizes Zimmerman Advertising LLC ("Zimmerman"), a marketing agency, as its provider of nationwide marketing and advertising services. Jet's reserves the right to change either of these suppliers for any reason at any time.

Jet's gift card program is exclusively administered and processed by Valuetec Card Solutions, LLC.

We will require you to purchase certain items in the Technology System (defined in Item 11) from supplier(s) approved or designated by us. This designation may include the manufacturer or developer as well as the model number or other similar designation. If we name a designated supplier(s) for certain Technology System items, alternate suppliers will not be acceptable. We require you to use our approved suppliers for a Technology System which provides online ordering services to customers.

Neither Jet's nor any of its affiliates is currently an approved supplier of any items, but Jet's reserves the right to do so in the future. No officer of Jet's owns any interest in an approved supplier.

Franchisees may only utilize suppliers that have been approved by Jet's, in Jet's sole discretion. Franchisor will only consider approving additional or new suppliers in unusual circumstances, at the sole cost of the requesting franchisee, regardless of whether or not the proposed supplier is approved. In order to petition Jet's for approval of a new supplier, you and the proposed new supplier must execute an Application for Approval of Supplier, which lists general standards for suppliers. Depending upon the goods or services for which approval is requested, there may be additional criteria or specifications which will be made available to the proposed new supplier. The proposed new supplier will have to execute a confidentiality agreement and provide Jet's with appropriate information and samples for testing. You or the proposed new supplier will have to pay an evaluation fee (see Item 6) to Jet's and reimburse Jet's for any out-of-pocket costs. Jet's current evaluation fee is $1,000, but is subject to change. Jet's review will typically take no more than 60 days. Supplier approval depends on a number of factors, including product or service quality, reliability, standards, financial capability, and customer relations. Moreover, approval of a new supplier may be conditioned upon its agreement to pay rebates (see below regarding usage of supplier rebates), and its execution of a supply agreement with terms and conditions required by Jet's. Upon approval of a new supplier as to specified goods or services, you may immediately begin to purchase the goods or services from the new supplier. A supplier's approved status may be revoked for any breach or failure to fulfill our supplier standards or criteria or our specifications for particular goods or services. We have no obligation to approve any request for a new supplier or service. Jet's supplier standards, supplier approval and its criteria and specifications for goods and services may be changed from time to time by Jet's, subject to its sole discretion. Such changes may result in additional cost to you.

As described in Item 6, Jet's charges royalty fees to franchisees based on the percentage of Acquired Inventory (inventory and supplies) that the franchisees purchased from suppliers. According to our audited financial statements, in 2023, Jet's total revenue was $27,831,288 which included $11,928,077 of royalty revenue (based on Acquired Inventory purchases) and $579,213 of franchise fees and other revenue. Accordingly, 42.86% of Jet's total revenues was derived from franchisees' purchases of Acquired Inventory.

Jet's earns rebates from suppliers based on the volume of purchases by franchised locations. In 2023, Jet's earned $4,373,483 through rebates, which represents approximately 15.71% Jet's total revenues in 2023.

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Jet's negotiates with some suppliers to obtain the lowest possible cost for purchases by franchisees and may negotiate to receive rebates from suppliers. Supplier rebates will in all cases be applied to benefit franchisees generally. Supplier rebates are currently being allocated to JAI Productions, Inc. for advertising and marketing purposes that promote the Franchise System. Jet's reserves the right to change how supplier rebates are handled.

Within 10 days after your location has been selected, approved, and secured by lease or purchase, Jet's will provide you with its specifications and list of approved suppliers. These required purchases will represent about 100% of the costs you will incur to open the restaurant for business, and about 45% of your expenses on an ongoing basis. There are no purchasing or distribution cooperatives. We do not provide material benefits to a franchisee based on its purchase of particular products or services, or the use of particular suppliers.

If you occupy the Location under a lease, you must ensure that Schedule 4 to the Franchise Agreement, the Standard Lease Rider, has been entered into by all parties, and a new Standard Lease Rider is executed upon any changes to, or assignments of, the lease. Jet's may require that you provide Jet's with a copy of the lease agreement for its written approval. Our approval is not an endorsement of the legal or business terms of the lease. We can require, as a condition of our approval, that the lease contain certain terms and conditions.

You must maintain a competent and conscientious staff who have been trained in product preparation and general business operations in accordance with the procedures set forth in the Jet's Operations Manual, and who meet required governmental health and employment standards.

You must participate in any promotional programs (including physical or electronic gift card programs and/or loyalty programs) implemented by us, at your sole cost and expense, from time to time. This may include offering rebates, giveaways, delivery services, products and other promotional items related to such programs. In addition, it includes your obligation, at your sole cost and expense, to lease or otherwise procure any software, hardware or other items needed to participate in such promotional programs, and in compliance with the requirements as may be set forth in the Operations Manual and from our designated supplier(s). The Operations Manual will establish any and all rules, guidelines, standards and specifications for these programs. However, you must not create or participate in any loyalty programs not authorized by us in writing.

Currently, we operate a customer loyalty program called Jet's Rewards. Under the Jet's Rewards Program, customers can earn points each time they make a purchase. The accrued points can then be redeemed by the customer for free items or delivery service for subsequent purchases, which items and delivery services you will be required to provide at your sole cost and expense.

You must also comply with the restrictions imposed on your advertising as set forth in Section 7 of the Franchise Agreement, including online advertising as set forth in Section 7.6 of the Franchise Agreement.

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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(s) of Franchise Agreement	Section(s) of Area Development Agreement	Disclosure Document Item(s)
a.	Site selection and acquisition/lease	2.2	2.2	2.1, 3
b.	Pre-opening purchases/leases	5	Not Applicable	7, 8
c.	Site development and other pre-opening requirements	5	2.2, 2.7, 2.8	6, 7, 8, 11
d.	Initial and ongoing training	5.4, 6.4	N/A	6, 11
e.	Opening	5.7, 5.8	N/A	11
f.	Fees	4, 5.1, 5.4, 6.5, 6.7, 7, 8.4, 13.2, 14.2, 15.3, 15.4, Schedule 1, Schedule 5	2.3, 2.4	5, 6
g.	Compliance with standards and policies/operating manual	2.2, 5, 6, 8	2.7, 3, 4	11
h.	Trademarks and proprietary information	6, 10, 11	4	13, 14
i.	Restrictions on products/services offered	6.5	2.7, 4.2, 5	16
j.	Warranty and customer service requirements	6.1, 6.5	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	N/A	2.2	Not Applicable
l.	Ongoing product/service purchases	6.5, 6.7	Not Applicable	8
m.	Maintenance, appearance and remodeling requirements	6.1, 6.5, 6.7	Not Applicable	11
n.	Insurance	9	Not Applicable	7
o.	Advertising	6.6, 7	Not Applicable	6, 11
p.	Indemnification	9.5	Not Applicable	Not Applicable
q.	Owner's participation/management/ staffing	5.4, 9	Not Applicable	11, 15
r.	Records and reports	5.4, 6.4, 8	Not Applicable	11
s.	Inspections and audits	8	Not Applicable	6
t.	Transfer	8.7-9, 13, 15.7	6.2	17
u.	Renewal	3	Not Applicable	17
v.	Post-termination obligations	15.2, 15.6, 15.7	5	17
w.	Non-competition covenants	12	5	17

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Obligation	Section(s) of Franchise Agreement	Section(s) of Area Development Agreement	Disclosure Document Item(s)
x. Dispute resolution	18.3-8	8.3	17
y. Promotional Programs	6.5, 6.7, 7.8	Not Applicable	8, 9, 11
z. Reimbursement of Monies paid on behalf of Franchisee	4.6	Not Applicable	6, 9
aa. Employee Policy	6.3	Not Applicable	8, 9
bb. Websites; Domain Names; Electronic Marketing	6.6	Not Applicable	8, 9, 11

Item 10: Financing

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

Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training

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

The following applies with respect to each Franchise Agreement, whether signed as a "stand-alone" agreement or under an Area Development Agreement.

Pre-Opening Obligations

We will provide you with our site selection criteria for your Jet's Pizza Franchise, and upon your finding a suitable location which meets the site selection criteria to our satisfaction, approve your location. Jet's does not engage in the practice of owning premises and leasing them to franchisees. Jet's does not provide assistance with conforming the premises to local ordinances and building codes and obtaining any required permits. If requested, we may use reasonable efforts to help you analyze potential sites and determine site feasibility. It is your responsibility to locate a Jet's Pizza Franchise site that satisfies our site selection criteria. Factors Jet's would typically consider in approving a site include demographic information, pedestrian and automobile traffic patterns, the presence of competitive or complementary businesses in the area, conditions of the local economy, viability of the store, availability of parking and zoning requirements. You are encouraged to engage your own expert to assist in site selection. Jet's has 21 days after request for approval by a franchisee to approve or disapprove a proposed location in its sole discretion. (Section 2.2(a)) Once your location has been determined, your territory and advertising territory will encompass an area with a radius of one and one-half (1½) miles from the location, except that in New York City, New York, and Chicago, Illinois, the radius of the territory is one-quarter (¼) of a mile. (Sections 2.2(d) and 7.1) You are encouraged to engage your own expert, such as a lawyer, to assist in lease negotiations. (Section 2.2(c)) If you are unable to locate a site that is acceptable to us and secure it with a lease within 90 days, or if your restaurant is not ready to open for business within twelve months, after the Franchise Agreement is signed, Jet's may cancel the Franchise Agreement by written notice to you. (Section 5.5)

We will provide you with specifications for leasehold improvements, fixtures, equipment, furniture, furnishings, and sample layouts of the design of the restaurant, and a list of approved suppliers for

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