

FRANCHISE DISCLOSURE DOCUMENT

BROADWAY STATION RESTAURANTS, INC.
1818 Wooddale Drive
Suite 202
Woodbury, MN 55125
(651) 731-0800

Broadway Pizza® Restaurants are railroad theme restaurants which offer the public high quality food and beverages of a distinctive character and quality under the name *Broadway Pizza®* and *Broadway Pizza® Express*.

The total investment necessary to begin operation of a traditional *Broadway Pizza®* franchise ranges from \$479,500 to \$934,000. This includes the initial fee of \$25,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a *Broadway Pizza® Express* limited service franchise is \$136,400 to \$356,500. This includes the initial fee of \$15,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Broadway Station Restaurants, Inc at 1818 Wooddale Drive, Suite 202, Woodbury, Minnesota 55125 and (651) 731-0800.

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 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: _____, 2008

**FRANCHISE DISCLOSURE DOCUMENT
FOR PROSPECTIVE FRANCHISEES**

STATE OF MINNESOTA

BROADWAY STATION RESTAURANTS, INC.

1818 Wooddale Drive

Suite 202

Woodbury, MN 55125

(651) 731-0800

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

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

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

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

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

Effective Date: May 1, 2008

BROADWAY STATION RESTAURANTS, INC.

FRANCHISE DISCLOSURE DOCUMENT

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1.	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
2.	BUSINESS EXPERIENCE	2
3.	LITIGATION.....	3
4.	BANKRUPTCY	3
5.	INITIAL FEES	3
6.	OTHER FEES.....	5
7.	ESTIMATED INITIAL INVESTMENT.....	7
8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	10
9.	FRANCHISEES OBLIGATIONS	11
10.	FINANCING.....	12
11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	13
12.	TERRITORY	20
13.	TRADEMARKS	21
14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	21
15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	22
16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	22
17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	23
18.	PUBLIC FIGURES.....	27
19.	FINANCIAL PERFORMANCE REPRESENTATIONS.....	27
20.	OUTLETS AND FRANCHISEE INFORMATION.....	27
21.	FINANCIAL STATEMENTS	30
22.	CONTRACTS.....	30
23.	RECEIPTS.....	30
 <u>EXHIBITS</u>		
	STANDARD OPERATING MANUAL TABLE OF CONTENTS	A
	STANDARD KITCHEN AND RECIPE MANUAL TABLE OF CONTENTS	B
	AUDITED FINANCIAL STATEMENTS	C
	FRANCHISE AGREEMENT.....	D
	ADDENDUM: LIMITED SERVICE FRANCHISE	E
	FRANCHISEE QUESTIONNAIRE.....	F
	LIST OF STATE AGENCIES.....	State Agency Exhibit

THE FRANCHISE DISCLOSURE DOCUMENT

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

Franchisor

Broadway Station Restaurants, Inc., the Franchisor, is referred to in this Disclosure Document as "Broadway." "You" means the person or entity who buys the franchise from Broadway. Broadway, a Minnesota corporation formerly known as Eddy Peck's Broadway Pizza, Inc., was formed on October 3, 1990 and does business under the name Broadway Station Restaurants, Inc. Broadway has sold *Broadway Pizza*® Restaurant franchises since October 1990. Broadway has not and does not currently own any *Broadway Pizza*® Restaurants. However, Broadway currently operates two franchised *Broadway Pizza*® Restaurants pursuant to management contracts with franchisees. Broadway maintains its offices at 1818 Wooddale Drive, Suite 202, Woodbury, Minnesota 55125. Broadway's agent for service of process is disclosed in the Receipt attached to this Disclosure Document. Broadway has no affiliates that offer franchises in any line of business or provide products or services to franchisees of Broadway.

Broadway's Predecessors

The *Broadway Pizza*® concept was originated by Mr. Edward J. Peck in 1961 when he purchased a pizza restaurant/bar business founded in Minneapolis, Minnesota in 1953 by Italian-born John Spallaci. Mr. Peck, through various corporations, including Broadway Pizza Franchise, Inc. and Eddie Peck, Inc., operated and franchised *Broadway Pizza*® Restaurants in Minnesota from 1961 until January 1, 1991. During that time, Mr. Peck evolved the business from the original "Eddie's Broadway Bar" business, serving handmade pizza using Mr. Spallaci's recipes, into the railroad depot theme that has become an integral part of the *Broadway Pizza*® concept. Broadway Pizza Franchise, Inc., a Minnesota corporation incorporated on January 8, 1979, is a predecessor to Broadway and changed its name to Dorothy D. Enterprises, Inc. on January 9, 1991. Dorothy D. Enterprises, Inc.'s principal office is at 12700 Sherwood Place, Suite 210, Minnetonka, Minnesota 55305. Dorothy D. Enterprises, Inc. has never sold franchises in any other line of business. Eddie Peck, Inc., a Minnesota corporation incorporated on October 26, 1973, is also a predecessor to Broadway and changed its name to Edward J. Enterprises, Inc. on January 9, 1991. Edward J. Enterprises, Inc. has its principal offices at 12700 Sherwood Place, Suite 210, Minnetonka, Minnesota 55305. Edward J. Enterprises, Inc. has never sold franchises in any other line of business. Eddie Peck's Broadway Pizza, Inc. acquired the world-wide rights to franchise the *Broadway Pizza*® concept, together with the rights under nine franchise agreements and the rights to the *Broadway Pizza*® and Broadway Station® trade names, service marks, recipes, formulae and secret ingredients, from Broadway Pizza Franchise, Inc. and Eddie Peck, Inc. on January 2, 1991. Eddie Peck's Broadway Pizza, Inc. changed its name to Broadway Station Restaurants, Inc. on April 11, 1991.

Franchised Business

Broadway Pizza® and *Broadway Pizza® Express* Restaurants are railroad theme pizza restaurants which offer the public high quality food and beverages of a distinctive character and quality under the names "*Broadway Pizza®*" and "*Broadway Pizza® Express*". The foods, products and services provided by *Broadway Pizza®* Restaurants are marketed to the general public from a single location ("Franchised Location"). You may purchase a traditional *Broadway Pizza®* franchise ("Traditional" franchise or restaurant) or a limited service *Broadway Pizza Express* franchise ("Limited Service" franchise or restaurant). All references to a *Broadway Pizza®* Business or a *Broadway Pizza®* franchise will also include a Limited Service franchise unless otherwise noted. Sales are not typically seasonal and are dependent upon your customer's propensity to dine-in or purchase carry-out or delivery food. *Broadway Pizza®* Restaurants operate in a developed market and the businesses with which you will compete include full-service restaurants which serve liquor, and all establishments which sell pizza, pasta and other Italian foods, whether for dine-in, carry-out or delivery.

All *Broadway Pizza®* Restaurants must comply with federal, state and local laws applicable to the operation and licensing of a restaurant business. You must comply with regulations for food preparation, food service and minimum sanitary conditions for your *Broadway Pizza®* Restaurant enforced by state and local health departments, the U.S. Food and Drug Administration and the U.S. Department of Agriculture. You must obtain all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food and liquor service operations. Your *Broadway Pizza®* Restaurant must also pass applicable municipal, county, state and federal building codes and handicap access codes.

2. BUSINESS EXPERIENCE

Chairman of the Board of Directors: Charles C. Cudd

Mr. Cudd has been Broadway's Chairman of the Board of Directors since its incorporation in October 1990. He was Broadway's President and Chief Executive Officer from October 1990 to April 1997. He has been the President of Charles Cudd Co. in Minneapolis, Minnesota, a site planning, architectural design and construction firm, since 1975.

Chief Executive Officer and Director: James A. Kruiuzenga

Mr. Kruiuzenga has been Broadway's Chief Executive Officer since April 1997 and a Director since January 1996. He was the Vice President of Operations for Broadway from January 1995 to April 1996. From July 1991 until January 1995, he was the Regional Director of Broadway. Mr. Kruiuzenga was President of Willows of New Richmond, Inc. in New Richmond, Wisconsin from May 1985 to March 1991.

Chief Financial Officer, Secretary and Treasurer: Randall J. Winger

Mr. Winger has been Broadway's Chief Financial Officer since April 1997, its Treasurer since January 1995 and its Secretary since January 1998. He was Controller for Broadway from December 1992 to April 1997. He has also been Controller of The Original Broadway Station, Inc. and C.I.A.O., Inc. since December 1992 and Treasurer for both corporations since January 1995. Mr. Winger has been Controller for Rollin' in Dough, Inc. since January 1994 and Treasurer since January 1995. From January 1990 to December 1992, he was an auditor and tax accountant for the certified public accounting firm W.J. Bauman Associates, Ltd. in River Falls, Wisconsin.

Director: Ronald Krank

Mr. Krank has been a Director of Broadway since its incorporation in October 1990. He is a professional architect and has been President of KKE Architects, Inc. in Minneapolis, Minnesota since 1968 and Chairman of the Board of KKE Architects, Inc. since June 1996.

Director: Herbert A. Margolis

Mr. Margolis has been a Director of Broadway since its incorporation in October 1990. Since January 1996, he has been Chief Executive Officer of the Seneca Group, Inc. in Edina, Minnesota. Mr. Margolis was President of Accent Real Estate Co., Ltd. in Edina, Minnesota from 1980 to December 1995.

Director: Ronald C. Erickson

Mr. Erickson has been a Director of Broadway since January 1997. He is a professional architect and has been Chief Executive Officer of KKE Architects, Inc. in Minneapolis, Minnesota since January 1993.

3. LITIGATION

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

4. BANKRUPTCY

No bankruptcy filings or proceedings are required to be disclosed in this Disclosure Document.

5. INITIAL FEES

You must pay an Initial Fee of \$25,000 to Broadway for a Traditional franchise. You must pay an Initial Fee of \$15,000 to Broadway for a Limited Service franchise when you sign the Franchise Agreement.

Broadway may terminate your Franchise Agreement within 180 days after you sign it if: (1) any financial, personal or other information provided by you is materially inaccurate; (2) your Operating Owner, your Store Manager or your Associate Manager fail to successfully complete Broadway's training program or one of them is determined to be incapable of successfully completing Broadway's training program; (3) you fail to purchase or lease a suitable site for your Franchised Location within 45 days after signing the Franchise Agreement; (4) you fail to begin construction on your Franchised Location within 120 days after signing the Franchise Agreement; (5) you fail to open your *Broadway Pizza*® Restaurant by the earlier of (i) 170 days after signing the Franchise Agreement or (ii) when the Franchised Location is ready for occupancy; or (6) you fail to apply for and obtain a valid liquor license (if applicable) as well as a valid license to serve food or drink at your *Broadway Pizza*® Restaurant.

If your Franchise Agreement is terminated before you open your *Broadway Pizza*® Restaurant, Broadway will refund your Initial Fee after deducting the greater of \$5,000 or its reasonable administrative and out-of-pocket expenses incurred in its business dealings with you. These expenses will include Broadway's employee

salaries, training costs, salespersons' commissions, attorneys' fees, accountants' fees, travel expenses and long distance telephone call costs. However, if your Franchise Agreement is terminated because you have been denied the necessary liquor license due to your criminal history or bankruptcy status, then Broadway will refund your Initial Fee after deducting \$15,000. Otherwise, the Initial Fee is non-refundable.

[This space was intentionally left blank.]

6. OTHER FEES

Name of Fee ⁽¹⁾	Amount	Date Due	Remarks
Continuing Fees ⁽²⁾⁽³⁾	4% of Gross Revenues	By Wednesday of each week for the preceding week	Gross Revenues include the total dollar income from your <i>Broadway Pizza</i> ® Restaurant but not sales, gross receipts or use taxes.
Marketing and Promotion ⁽²⁾⁽⁴⁾	1% of Gross Revenues	Same as above	Deposited in Marketing and Promotion Fund administered and controlled by Broadway.
Local Advertising Expenses ⁽⁵⁾	1.5% of Gross Revenues and 0.5% of Gross Revenues to the DMA Fund ⁽⁵⁾	Each quarter	Paid to local advertising suppliers; you must provide Broadway with quarterly reports of your local advertising expenditures within 10 days after the end of each quarter.
Audit Fees ⁽²⁾⁽⁶⁾	Amount incurred by Broadway to audit your <i>Broadway Pizza</i> ® Restaurant	Within 10 days of receipt of an invoice	Payable only if Broadway's audit reveals that you understated your Gross Revenues by more than 1/2% or \$1,000 in any 12 month period
Relocation Fees ⁽²⁾	\$5,000	Before Broadway approves relocation of your Franchised Location	This amount will cover Broadway's administrative costs in connection with relocation of your Franchised Location.
Transfer Fee ⁽²⁾	\$12,500	Before you transfer your Franchise Agreement or the transfer of controlling interest in a corporation or partnership which owns the franchised business	Broadway must approve the transfer; includes training of transferee franchisee and the Non-Operating Owners, Operating Owner, Store Manager and Associate Manager.
Collection Costs ⁽²⁾	Amount incurred by Broadway to collect unpaid Continuing Fees and Marketing and Promotion Fees	On demand	Includes the amount of actual attorneys' fees, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses.
Interest Charges for Unpaid Fees ⁽²⁾	The lesser of 18% per annum or the maximum legal rate allowable in the state in which your <i>Broadway Pizza</i> ® Restaurant is located	On demand	Applies to past due payments of Continuing Fees and Marketing and Promotion Fees due to Broadway.

Service Charge ⁽²⁾	\$50	Within 10 days after you fail to pay a Continuing Fee or Marketing and Promotion Fee	Applies to past due payments of Continuing Fees and Marketing and Promotion Fees.
Consulting Services provided by Broadway ⁽²⁾	Then-current Consulting Services Fee; currently \$320 per day	After services have been rendered	You must also pay the Broadway representative's travel expenses.
Training for Your New Employees ⁽²⁾	Then-current training fee; currently \$100 per day plus expenses if your employees attend training at a location designated by Broadway	Before your employee attends Broadway's training	All Operating Owners, Store Managers and Associate Managers must attend training within 60 days after being hired and before participating in your <i>Broadway Pizza</i> ® Restaurant
Ongoing Training for Your Existing Employees ⁽²⁾	Then-current training fee; currently \$100 per day plus expenses if your employees attend training at a location designated by Broadway	Before your employee attends Broadway's training	Your Operating Owner, Store Manager and Associate Manager must attend training if Broadway determines that additional training is necessary.

Notes:

- (1) You must pay each fee to Broadway. All fees are nonrefundable.
- (2) You must authorize your bank to directly deposit this amount into Broadway's bank account from your bank account on a weekly basis. You must provide Broadway with all documents necessary to direct your bank to honor these pre-authorized bank debits.
- (3) You must pay a minimum Continuing Fee of \$6,000 each year for a Limited Service franchise.
- (4) If the Marketing and Promotion Fund does not contain an amount sufficient to pay for necessary marketing and promotional expenditures as determined by Broadway, Broadway may loan an amount to the Marketing and Promotion Fund to cover these expenditures. The unpaid balance of any loan will accrue interest at a predetermined interest rate.
- (5) If there are two or more *Broadway Pizza*® Restaurants in your Designated Market Area ("DMA"), then you must become a member and participate in a Local DMA Marketing and Promotion Group ("DMA Group"). DMA means each television market exclusive of another based upon a preponderance of television viewing hours as defined by the A.C. Nielsen ratings service or other ratings service designated by Broadway (see Item 11). The amount that you must contribute for local advertising programs will be determined by a majority of the *Broadway Pizza*® Restaurants in your DMA. Your contributions to your DMA Group's local advertising programs will apply to your local advertising requirement. *Broadway Pizza*® Restaurants reserves the right to vary the terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size or costs for goods, materials, and supplies incurred by *Broadway Pizza*® Restaurants. Any such variation to the terms or provisions within the contract or agreement shall not be considered as substantially varying so as to constitute a new franchise offering.
- (6) If after Broadway's audit, Broadway determines that you understated your Gross Revenues by more than 1/2% or \$1,000 in any 12 month period, you must also provide Broadway with annual audited financial statements prepared by a certified public accountant for the next three consecutive years. Your annual audited financial statements will be due within three months after the end of each fiscal year.

7. YOUR ESTIMATED INITIAL INVESTMENT
TRADITIONAL BROADWAY PIZZA® FRANCHISE

DESCRIPTION OF EXPENSE	ESTIMATED RANGE OF COST (LOW-HIGH) ⁽¹⁾	METHOD OF PAYMENT ⁽²⁾	WHEN DUE	TO WHOM OWED
Initial Fee	\$25,000	Lump Sum	See Item 5 of this Disclosure Document	Broadway
Leasehold Improvements ⁽³⁾	\$150,000 - \$300,000	As Incurred	As Incurred	Suppliers
Wages, Travel and Living Expenses for Your Operating Owner, Your Store Manager and Your Associate Manager During Training	\$5,000 - \$10,500	As Incurred	During Training	Operating Owner, Store Manager, Associate Managers, Airlines, Hotels and Restaurants
Restaurant Lease Payments - 3 Months ⁽⁴⁾	\$12,000 - \$45,000	As Incurred	As Incurred	Landlord
Furniture, Fixtures and Equipment ⁽⁵⁾	\$200,000 - \$350,000	As Incurred	As Incurred	Supplier or Leasing Company
Architectural and Engineering Fees	\$8,000 - \$25,000	Lump Sum	Before Opening	Suppliers
Sign	\$9,000 - \$36,000	Lump Sum	Before Opening	Suppliers
Employee Salaries - 3 months	\$50,000 - \$120,000	As Incurred	As Incurred	Employees
Initial Food and Beverage Inventories	\$10,000 - \$15,000	As Incurred	Before Opening	Broadway and Suppliers
Liquor License Costs	\$500 - \$12,500	As Incurred	Before Opening	Governmental Agency and Professional Services
Insurance - 3 Months ⁽⁶⁾	\$2,500 - \$6,000	As Incurred	As Arranged	Insurance Companies
Additional Funds - 3 Months ⁽⁷⁾	\$7,500 - \$25,000	As Incurred	As Incurred	Employees, Suppliers and Utilities
TOTAL	\$479,500 - \$934,000			

Notes:

- (1) For the estimated range of costs, Broadway relied on its management's combined 20 years experience in the restaurant business. You should carefully review these figures with your business advisor before making any decision to purchase a franchise.
- (2) Payments are nonrefundable unless otherwise noted. See Item 5 for information on the whether the Initial Fee is refundable. Broadway does not offer any direct or indirect financing.
- (3) The cost of your leasehold improvements will depend upon the size of the premises, location, material costs, labor costs, amount the landlord is willing to assume and other economic factors. If financed at a 10% annual interest rate over a five year period, your monthly payments will be between \$1,590 and \$3,150, assuming a 50% down payment of between \$75,000 and \$150,000.
- (4) *Broadway Pizza*® Restaurants are generally located in shopping centers or shopping malls, and range in size from 4,500 to 7,000 square feet. The monthly rental for your Franchised Location will include common area maintenance fees and real estate taxes. If you purchase or construct a free standing building for your *Broadway Pizza*® Restaurant, the building and land will cost between \$500,000 and \$1,500,000.
- (5) The cost of your furniture, fixtures and equipment will depend upon the size of the premises, location, transportation costs, labor costs and other economic factors. If financed at a 10% annual interest rate over a five year period, your monthly payments will be between \$1,060 and \$1,860, assuming a 25% down payment of between \$50,000 and \$87,500.
- (6) You must obtain liquor liability insurance (if applicable), workers' compensation insurance, general liability insurance, business interruption insurance, property insurance, automobile liability insurance, theft insurance, crime insurance, fidelity bonds, building insurance (if applicable), umbrella liability insurance and other required insurance.
- (7) You will use this amount during your first three months of operation for salaries, fringe benefits, supplies and inventory, grand opening advertising, professional services, security deposits, utility deposits, business and food service license deposits and other miscellaneous operating costs. Your working capital requirements may increase or decrease depending upon your geographic area, number of employees, labor rates, minimum wage laws and other economic factors.

BROADWAY PIZZA® EXPRESS LIMITED SERVICE FRANCHISE

DESCRIPTION OF EXPENSE	ESTIMATED RANGE OF COST (LOW-HIGH) ⁽¹⁾	METHOD OF PAYMENT ⁽²⁾	WHEN DUE	TO WHOM OWED
Initial Fee	\$15,000	Lump Sum	When you sign the Franchise Agreement	Broadway
Leasehold Improvements	\$30,000 - \$75,000	As Incurred	As Incurred	Suppliers
Wages, Travel and Living Expenses for Your Operating Owner, Your Store Manager and Your Associate Manager During Training	\$5,000 - \$10,500	As Incurred	During Training	Operating Owner, Store Manager, Associate Managers, Airlines, Hotels and Restaurants
Restaurant Lease Payments - 3 Months ⁽³⁾	\$3,000 - \$8,000	As Incurred	As Incurred	Landlord
Furniture, Fixtures and Equipment	\$50,000 - \$180,000	As Incurred	As Incurred	Supplier or Leasing Company
Architectural and Engineering Fees	\$2,500 - \$5,000	Lump Sum	Before Opening	Suppliers
Sign	\$9,000 - \$18,000	Lump Sum	Before Opening	Suppliers
Employee Salaries - 3 Months	\$15,000 - \$30,000	As Incurred	As Incurred	Employees
Initial Food and Beverage Inventories	\$3,000 - \$6,000	As Incurred	Before Opening	Broadway and Suppliers
Insurance - 3 Months	\$900 - \$3,000	As Incurred	As Arranged	Insurance Companies
Additional Funds - 3 Months ⁽⁴⁾	\$3,000 - \$6,000	As Incurred	As Incurred	Employees, Suppliers and Utilities
TOTAL	\$136,400 - \$356,500			

Notes:

- (1) For the estimated range of costs, Broadway relied on its management's experience in the restaurant business. You should carefully review these figures with your business advisor before making any decision to purchase a franchise.
- (2) Payments are nonrefundable unless otherwise noted. See Item 5 for information on whether the Initial Fee is refundable. Broadway does not offer any direct or indirect financing.
- (3) *Broadway Pizza® Express* Limited Service franchises are generally located in shopping centers or strip shopping malls, and range in size from 1,000 to 2,000 square feet. The monthly rental for your Franchised Location will include common area maintenance fees and real estate taxes.
- (4) You will use this amount during your first three months of operation for salaries, fringe benefits, supplies and inventory, grand opening advertising, professional services, security deposits, utility deposits, business and food service license deposits and other miscellaneous operating costs. Your working capital requirements may increase or decrease depending upon your geographic area, number of employees, labor rates, minimum wage laws and other economic factors.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Obligation to Purchase Products or Services from Broadway

You must purchase all flour blends, certain proprietary seasoning blends, certain meat products, certain cheeses and certain other seasoning blends and sauces which Broadway has developed or may develop in the future Products from Broadway or a supplier designated by Broadway. The Products are not available from any other source. Broadway will give you a written list of these Products and will occasionally update this list. The requirement that you purchase these Products only from Broadway or from designated sources is necessary to insure that you adhere to the uniformity requirements and quality standards associated with all *Broadway Pizza*® Restaurants. All Products purchased from Broadway are resalable items. However, if your Franchise Agreement is terminated, Broadway has the contractual right to purchase all of your *Broadway Pizza*® Restaurant assets, including your Product inventory (see Item 5).

Obligation to Purchase or Lease Products or Services from Designated or Approved Suppliers

You must license ALOHA Table Service POS from Formost Business Systems, Inc. ALOHA POS System is a Point-of-Sale system which enables you to easily monitor the financial performance of your *Broadway Pizza*® Restaurant. You must pay an Initial Software License Fee to these companies of \$15,000 - \$45,000 for your four or five hard disk work stations and an annual Support Fee which is currently \$895. Also, you must enroll in the Online Enterprise System which allows Broadway to access your reports daily at a cost of \$150/month.

In addition, you must purchase certain products or services required for your *Broadway Pizza*® Restaurant from suppliers approved by Broadway, including food, beverages, liquor (if applicable), recipe ingredients, products, goods, premiums, novelty items, clothing, souvenirs, merchandise, supplies, sundries, uniforms, machinery, signs, computers, software, point-of-purchase register systems, personal property, furniture, fixtures, equipment, credit cards, gift certificates and coupons, music and various services. Broadway will give you a list of these approved suppliers and will occasionally update this list. The requirement that you purchase or lease from approved suppliers is necessary to insure that you adhere to the uniformity requirements and quality standards associated with all *Broadway Pizza*® Restaurants. Broadway does not offer any purchasing or distribution cooperatives.

If you want to purchase products or services from suppliers who have not been previously approved by Broadway, then you must send representative samples or specifications of that supplier's goods or services to Broadway. Within 30 days after receiving the necessary samples and information, Broadway will advise you in writing as to its determination.

Obligation to Purchase or Lease Products or Services Under Broadway's Standards and Specifications

You must purchase or lease certain products and services which satisfy Broadway's written standards and specifications. This requirement is necessary to insure that you adhere to the uniformity requirements and quality standards associated with all *Broadway Pizza*® Restaurants. Broadway will provide you with written standards and specifications for your business premises, furniture, fixtures, equipment, signs, computer services and equipment, computer software, telecommunication services and equipment, security system, insurance, attire or uniforms and computerized point-of-sale systems. Broadway formulates its standards and specifications at its sole discretion. Broadway will periodically modify its written standards and specifications and you must comply with any modifications.

You must also obtain Broadway's prior written approval of marketing and promotion materials, previously unapproved signs, remodeling and redecoration of the Franchised Location, vending and gaming machines or tickets, coupons and credit cards. The manner in which prior written approval is given for the purchase or lease of certain products and services for your *Broadway Pizza*® Restaurant is formulated by Broadway at its sole discretion. Broadway will periodically modify its manner of providing written approval and you must comply with any modifications. You will be responsible for ensuring that all goods and services selected by you will continue to conform to Broadway's standards and specifications. Broadway reserves the right to reject any goods or services supplied to you by a supplier if they fail to meet Broadway's written standards and specifications by providing you written notice.

Otherwise, you need not purchase any goods or services from designated or approved suppliers or according to Broadway's standards and specifications.

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	Article in Franchise Agreement	Item in Disclosure Document
a) Site selection and acquisition/lease	Articles 8.9, 10 and 19 of Franchise Agreement	Item 11
b) Pre-opening purchases/leases	Articles 8, 15.2 and 19 of Franchise Agreement	Item 8
c) Site development and other pre-opening requirements	Articles 8.9 and 10 of Franchise Agreement	Items 7 and 11
d) Initial and ongoing training	Article 14 of Franchise Agreement; Article 14.2 of Addendum of Franchise Agreement for Limited Service franchise	Item 11
e) Opening	Article 15 of Franchise Agreement	Item 11
f) Fees	Articles 4, 5 and 6 of Franchise Agreement; Articles 4.1 and 5.7 of Addendum to Franchise Agreement for Limited Service franchise	Items 5 and 6

g) Compliance with standards and policies/Operating Manual	Articles 8 and 9 of Franchise Agreement	Item 11
h) Trademarks and proprietary information	Articles 9 and 13 of Franchise Agreement	Items 13 and 14
i) Restrictions on products/services offered	Article 8.13 of Franchise Agreement	Item 16
j) Warranty and customer service requirements	Article 8.13 of Franchise Agreement	Item 16
k) Territorial development and sales quotas	None	
l) Ongoing product/service purchases	Articles 8.15 and 8.16 of Franchise Agreement	Item 8
m) Maintenance, appearance and remodeling requirements	Article 8 of Franchise Agreement	Item 8
n) Insurance	Article 12 of Franchise Agreement	Items 7 and 8
o) Advertising	Articles 6 and 8.5 of Franchise Agreement	Items 6 and 11
p) Indemnification	Article 25 of Franchise Agreement	
q) Owner's participation/management/staffing	Article 8.34 of Franchise Agreement	Items 11 and 15
r) Records and reports	Article 7 of Franchise Agreement	Item 6
s) Inspections and audits	Articles 7, 8.25 and 10.5 of Franchise Agreement	Items 6 and 11
t) Transfer	Article 18 of Franchise Agreement	Item 17
u) Renewal	Article 3 of Franchise Agreement	Item 17
v) Post-termination obligations	Article 22 of Franchise Agreement	Item 17
w) Non-competition covenants	Article 23 of Franchise Agreement	Item 17
x) Dispute resolution	Articles 26 and 27 of Franchise Agreement	Item 17

10. FINANCING

Broadway does not offer any direct or indirect financing. Broadway does not guarantee your notes, leases or other obligations.

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

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

Assistance Before Opening Your *Broadway Pizza*® Restaurant

1. Broadway will review the proposed site for your Franchised Location (see Article 8.9 of the Franchise Agreement). Broadway does not select or approve the specific location of your Franchised Location. The factors considered by Broadway in reviewing a site include competition, location, surrounding area and traffic patterns. There is no time limit for determining your Franchised Location, but you must open your *Broadway Pizza*® Restaurant within 170 days after you sign your Franchise Agreement or Broadway can terminate your Franchise Agreement.
2. Broadway will review the lease for your Franchised Location (see Article 19.1 of the Franchise Agreement).
3. Within 90 to 120 days after you sign the Franchise Agreement, Broadway will train your Non-operating Owners, Operating Owner, Store Manager and Associate Manager (see Article 14.1 of the Franchise Agreement). The training period will be at least three days for your Non-operating Owners; at least 30 days for your Operating Owner and Store Manager; and at least 20 days for your Associate Manager. If you open a *Broadway Pizza*® Limited Service franchise, the training period will be at least three days for your Non-operating Owners; at least 20 days for your Operating Owner and Store Manager; and at least 10 days for your Associate Manager. All courses will be taught as often as is necessary with the classroom training taught at Broadway's offices in Woodbury, Minnesota and the on-the-job training taught at an operational *Broadway Pizza*® Restaurant designated by Broadway and at the Franchised Location. The training program will include classroom and on-the-job training on basic business procedures, equipment operation and maintenance, hiring and training of employees, reporting and accounting procedures, advertising and promotion, the point of purchase registers, purchasing procedures, food preparation and presentation, food quality, kitchen and restaurant sanitation, serving and hosting techniques, food portions, food and beverage cost control, service quality, customer relations, housekeeping, security and other business and marketing topics selected by Broadway. Broadway will instruct you using the lecture method, videotape, interactive videos and hands-on practice. The Courses for your Operating Owner, Store Manager and Assistant Manager are as follows:

TRADITIONAL FRANCHISE INITIAL TRAINING

SUBJECT ⁽¹⁾	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING
Orientation	Manuals		5
Dishwashing	Manuals		5
Kitchen Prep	Manuals		10
Review	Manuals	5	
Line & Pizza Cook	Manuals		30
Delivery	Manuals		20
Kitchen Supervision	Manuals		15
Bussing	Manuals		5
Hostess	Manuals		10
Review ⁽²⁾	Manuals	15	
Server	Manuals		10
POS Training and Financial Management ⁽²⁾	Manuals		40
Opening and Closing Manager Duties ⁽²⁾	Manuals		40
Training ⁽²⁾	Manuals		40
Final Test and Evaluation ⁽²⁾	Manuals	10	
Total		30	230

Notes:

- (1) All courses will be taught by a *Broadway Pizza*® National Trainer. A *Broadway Pizza*® National Trainer has a minimum of two years experience in retail operations for the restaurant industry.
- (2) These courses will be taught to your Assistant Manager and your Store Manager at an existing *Broadway Pizza*® business.

LIMITED SERVICE FRANCHISE INITIAL TRAINING

SUBJECT ⁽¹⁾	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING
Orientation	Manuals		5
Kitchen Prep	Manuals		10
Review	Manuals	5	
Line & Pizza Cook	Manuals		25
Delivery	Manuals		0-15
Kitchen Supervision	Manuals		8
Review ⁽²⁾	Manuals	10	
POS Training and Financial Management ⁽²⁾	Manuals		5-20
Opening and Closing Manager Duties ⁽²⁾	Manuals		10
Training ⁽²⁾	Manuals		15
Final Test and Evaluation ⁽²⁾	Manuals	8	
Total		23	78-113

Notes:

- (1) All courses will be taught by a *Broadway Pizza*® National Trainer. A *Broadway Pizza*® National Trainer has a minimum of two years experience in retail operations for the restaurant industry.
- (2) These courses will be taught to your Assistant Manager and your Store Manager at an existing *Broadway Pizza*® business.

Initial training is provided to you at no additional cost. However, you must pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental costs and all other expenses for yourself and your employees who attend training. Your Operating Owner, Store Manager and Associate Manager must complete the training program before you open your *Broadway Pizza*® Restaurant.

4. Broadway will provide an operations representative to help you open your *Broadway Pizza*® Restaurant. For 14 days, the operations representative will help you implement internal controls, train employees, purchase food, beverages, supplies, premiums and novelty items, use accounting procedures, implement the Business System and evaluate your initial business operations (see Article 15.1 of the Franchise Agreement).

5. Broadway will loan you its Operating Manual, Kitchen and Recipe Manual and provide a sample of the Menu (see Article 8.14 of the Franchise Agreement). The Tables of Contents for Broadway's 97 page Operating Manual and 50 page Kitchen and Recipe Manual are attached as exhibits to this Disclosure Document. Broadway's Operation Manual dedicates 31 pages to general employee guidelines, 14 pages to manager training, seven pages to hostess training, 10 pages to server training, nine pages to kitchen personnel training, five pages to driver training, seven pages to telephone training and 11 pages to sanitation. Broadway's Kitchen and Recipe Manual dedicates two pages to vendors, 19 pages to order guides, seven pages to prep lists and set-up guidelines, 10 pages to duty lists and nine pages to recipes.
6. Broadway will provide the standard sign plans and specifications for your *Broadway Pizza*® Restaurant (see Article 11.1 of the Franchise Agreement).
7. Broadway will provide standard business premises specifications and design and decor specifications for your Franchised Location (see Article 16.1 (B) of the Franchise Agreement).
8. Broadway will provide a grand opening marketing and promotion package (see Article 15.2 of the Franchise Agreement).
9. Broadway will evaluate your advertising, promotion, marketing, public relations or telemarketing programs or campaigns for your *Broadway Pizza*® Restaurant (see Article 8.5 of the Franchise Agreement).
10. Broadway will provide the standards and specifications for the floor plans, layout, personal property, furniture, fixtures, equipment, accessories, exterior and interior decor, designs, decorations, music, landscaping, color schemes, uniforms and security system for your *Broadway Pizza*® Restaurant (see Articles 8.10, 8.22 and 8.35 of the Franchise Agreement).
11. Broadway will provide a written schedule of all food items, beverages, premiums, novelty items, clothing, souvenirs, furniture, fixtures, supplies and equipment required for your *Broadway Pizza*® Restaurant (see Article 16.1(A) of the Franchise Agreement).
12. Broadway will provide or designate the source for the flour blends, certain proprietary seasoning blends and certain other seasoning blends and sauces which you must purchase for your *Broadway Pizza*® Restaurant (see Articles 8.15 and 16.1(I) of the Franchise Agreement).
13. Broadway will provide a list of the approved suppliers and distributors for the goods and services required by Broadway for your *Broadway Pizza*® Restaurant, and review and test samples of suppliers submitted by you for approval (see Articles 8.16 and 16.18 of the Franchise Agreement).
14. Broadway will designate the telephone directory listings you must place for your *Broadway Pizza*® Restaurant (see Article 6.7 of the Franchise Agreement).
15. Broadway will make available to you basic accounting and business procedures for your *Broadway Pizza*® Restaurant (see Article 16.1(D) of the Franchise Agreement).

16. Broadway will provide you standards and specifications for the computerized point-of-sale systems, computer hardware and software required for your *Broadway Pizza*® Restaurant, as well as all modifications and updates to these standards and specifications (See Articles 8.31 and 8.32 of the Franchise Agreement). Currently, you must purchase the following computer hardware:
- A. Hard Disk Work Stations: four to six Intel 1.6 MHZ Pentium® Processor"PC" compatible computers (MS-DOS) equipped with 1 gigabyte hard drives, 128 MB RAM, D-Link DE-220 Network interface card, keyboards, mice, two serial ports and one parallel port, Teac 1.44 MB 3.5" floppy diskette drives, US Robotics Sportster 56K internal fax modems, CTX 1451ES 14" (.28 dot pitch) SVGA color monitors with Super VGA touch screen upgrades, two computerized serial cash drawers and network cabling;
 - B. Printing Station: one 80 column report and label printer capable of printing 8 pages per minute (PPM); four 40 column Receipt/Makeline Model DP8340 printers capable of printing 9 PPM connected to each work station; and
 - C. Miscellaneous: one uninterruptible power supply battery back-up, two plexiglass monitor stands, four plastic skin keyboard covers, four magnetic credit card readers, four keyboard drawers and computer cabling.

You must also license ALOHA Table Service POS from Formost Business Systems, Inc. at 4844 Park Glen Road, Minneapolis, Minnesota 55416, Telephone number (952) 920-8449. You must pay an Initial Software License Fee which is currently \$15,000-45,000 for your four to six hard disk work stations and an annual Support Fee which is currently \$895. In some cases, depending upon the size and type of franchise you purchase, you will be allowed to obtain less computer hardware and software than what is listed above. You must also enroll in the Online Enterprise System which allows Broadway access to your daily reports at a cost of \$150/month.

You must license Microsoft Windows® and Microsoft Windows® Office 2000 computer software. Microsoft Windows® and Microsoft Windows® Office 2000 software programs are available from Microsoft Corp., One Microsoft Way, Redmond, WA 98052-6393, telephone 206-882-8080. You will not be contractually obligated to Microsoft for the update or maintenance of your Microsoft Windows® or Microsoft Windows® Office 2000 computer software.

The computer hardware and software will help you manage your *Broadway Pizza*® Restaurant. Specifically, the required computer hardware and software will record all sales at the customer's point of purchase, simultaneously print customer and file receipts and record vital information regarding accounting, inventory control and financial management for your *Broadway Pizza*® Restaurant. This information may be used to prepare your financial statements and analyze your *Broadway Pizza*® Restaurant's performance. Broadway will have independent access to your computer information via your modem and will have the right to audit all of your records if you fail to provide this access (see Article 7.9 of the Franchise Agreement). This computer system has been used by *Broadway Pizza*® Restaurants since 2000.

Broadway will occasionally review the computer hardware and software in order to assess its functionality and operating efficiency. You must update your computer hardware and software as requested by Broadway, such as purchasing more memory or disk space, new network operating systems, and/or new computer hardware.

Generally, you will open your Traditional or Limited Service *Broadway Pizza*® Restaurant within three to six months after you sign the Franchise Agreement. Factors which will affect your opening date include selecting your Franchised Location, the construction or renovation of your Franchised Location, complying with licensing requirements, the delivery of furniture, fixtures and equipment, acquiring supplies, obtaining financing (if applicable), hiring and training employees, and completing Broadway's training program. You must obtain approval from Broadway in order to open your *Broadway Pizza*® Restaurant.

Assistance During the Operation of Your *Broadway Pizza*® Restaurant

1. Broadway will provide additional training if, during the term of the Franchise Agreement, you appoint a new Operating Owner or hire a new Store Manager or Associate Manager who has not completed Broadway's training program. Your new Operating Owner, Store Manager or Associate Manager must complete Broadway's training program before managing your *Broadway Pizza*® Restaurant. You must pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental costs and all other expenses for each such person (see Article 14.3 of the Franchise Agreement).
2. Broadway will provide ongoing training to you and your employees on business, administrative, operating, marketing and promotional topics at a place designated by Broadway. Broadway will provide ongoing training upon your request or when it determines that it is necessary for your *Broadway Pizza*® Restaurant (see Article 14.4 of the Franchise Agreement). You must pay the then-current training fee, currently \$100 per day, for each of your employees who attends this training as well as pay for their salary, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental costs and all other expenses.
3. Broadway will provide new food, product and service training to you and your employees if Broadway determines that it is necessary (see Article 14.4 of the Franchise Agreement). You must pay the then-current training fee, currently \$100 per day, for each of your employees who attends this training as well as pay for their salary, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental costs and all other expenses.
4. Broadway will administer the Marketing and Promotion Fund (see Article 6.1 of the Franchise Agreement). As disclosed in Item 6, all *Broadway Pizza*® franchisees pay Marketing and Promotion Fees of 1% of their weekly Gross Revenues to the Marketing and Promotion Fund. The Marketing and Promotion Fund is used for product research, creative costs, advertising agencies, public relations firms, production costs, ad slicks, brochures, radio and television commercials, market research, media time and space advertising (including radio, television, newspaper, magazine and other print advertising), promotions, marketing, public relations, menu development, research and design, telemarketing and national, regional and local advertising. The *Broadway Pizza*® Restaurants operated by Broadway contribute to the Marketing and Promotion Fund at the same rate as other franchisees. Broadway does not currently own any *Broadway Pizza*® Restaurants. Vendors and suppliers may contribute to the Marketing and Promotion Fund. Broadway administers the Marketing and Promotion Fund and no formal franchisee advertising council currently exists to advise Broadway on advertising policies. Franchisees do not receive a periodic accounting of how the Marketing and Promotion Fees in the Marketing and Promotion Fund are spent. However, the Marketing and Promotion Fund is audited yearly as part of Broadway's audited financial statements.

The following is a summary of the use of the Marketing and Promotion Fees in the Marketing and Promotion Fund during Broadway's most recent fiscal year:

<u>Expenses</u>	<u>Percentage of Total Expense</u>
Media Placement	24%
Administrative Costs(1)	70%
Balance of Marketing and Promotion Fund(2)	6%
Total	100%

Notes:

- (1) Broadway charged to the Marketing and Promotion Fund the creation of advertising materials and the costs associated with its employees' administration of the Marketing and Promotion Fund, including long distance telephone charges, fax costs, office rental, furniture, fixtures and equipment, leasehold improvements, employee salaries, travel costs, office supplies, collection costs, legal and accounting fees, consulting fees and other administrative costs.
 - (2) Broadway is not required to spend any particular amount on advertising in the area where your *Broadway Pizza*® Restaurant is located. The balance in the Marketing and Promotion Fund at the end of any fiscal year will remain in the Marketing and Promotion Fund for use in subsequent fiscal years. None of the advertising activity of the Marketing and Promotion Fund has been or will be for the solicitation of franchise sales.
5. Broadway will review the advertising, promotion, marketing, public relations or telemarketing programs or campaigns for your *Broadway Pizza*® Restaurant (see Article 8.5 of the Franchise Agreement). As disclosed in Item 6, you must spend at least 1.5% of your monthly Gross Revenues on advertising, marketing or public relations programs (see Article 6.5 of the Franchise Agreement). You may create your own advertising, marketing or public relations materials and disseminate these materials via print, radio or television, provided that the materials have been approved by Broadway. You must provide Broadway with quarterly reports of your local advertising expenditures within 10 days after the end of each quarter.

If there are two or more *Broadway Pizza*® Restaurants in your Designated Market Area ("DMA"), then you must become a member and participate in a Local DMA Marketing and Promotion Group ("DMA Group") (see Item 6). DMA means each television market exclusive of another based upon a preponderance of television viewing hours as defined by the A.C. Nielsen ratings service or other ratings service designated by Broadway. The administration of your DMA Group will be governed by the terms of your Franchise Agreement (see Article 6.6 of the Franchise Agreement). Your DMA Group will conduct and administer media advertising, marketing and public relations on behalf of all of its members. Each *Broadway Pizza*® Restaurant in the DMA will be given one vote, including the *Broadway Pizza*® Restaurants owned or operated by Broadway. The DMA Group's expenditures will depend upon the DMA Group's majority vote and Broadway's approval (see Article 6.6 of the Franchise Agreement). Each member must contribute 0.5% of your monthly Gross Revenue to your DMA Group (see Article 6.6 of the Franchise Agreement). Although your DMA Group need not prepare periodic financial statements, you must provide Broadway with quarterly reports of your local advertising expenditures within 10 days after the end of each quarter. Broadway does not currently have voting control over any local advertising group; however, Broadway does manage three *Broadway Pizza*® Restaurants pursuant to management contracts (see Item 20). *Broadway Pizza*® Restaurants reserves the right to vary the terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size or costs for goods,

materials, and supplies incurred by *Broadway Pizza*® Restaurants. Any such variation to the terms or provisions within the contract or agreement shall not be considered as substantially varying so as to constitute a new franchise offering.

6. Broadway will protect your *Broadway Pizza*® Restaurant's use of the Marks and the Business System (see Articles 13.5 and 16.1(H) of the Franchise Agreement).
7. Broadway will provide all supplements and modifications to Broadway's Operating Manual, Kitchen and Recipe Manual and the Menu (see Articles 8.14 and 16.1(F) of the Franchise Agreement).
8. Broadway will provide a list of the names and addresses of newly approved vendors and suppliers for the products and services required by Broadway to be used in your *Broadway Pizza*® Restaurant and review and test samples of suppliers submitted by you for approval (see Article 8.16 of the Franchise Agreement).
9. Broadway will review your *Broadway Pizza*® Restaurant as often as Broadway deems necessary and render written reports if deemed appropriate by Broadway (see Article 16.1(E) of the Franchise Agreement).
10. Upon your written request, Broadway will provide advisory services by telephone or in writing about the Business System and the operation of your *Broadway Pizza*® Restaurant (see Article 16.1(G) of the Franchise Agreement).
11. Upon your written request, Broadway will provide consulting services at your Franchised Location (see Article 16.2 of the Franchise Agreement). You must pay Broadway the then-current charge, currently \$320 per day, if the consulting services exceed three days each year. You must also pay the travel expenses, lodging, food, automobile rental costs and all other expenses incurred by Broadway's representative in providing the consulting services.

12. TERRITORY

You will receive an Exclusive Territory equal to a one (1) mile radius from your Franchised Location. You may sell your *Broadway Pizza*® products to anyone from your Franchised Location or within the Delivery Area approved by Broadway. The continuation of your Franchise Agreement is not dependent upon the achievement of a certain sales volume, market penetration or any other contingency. You will not receive the right to acquire additional franchises. Broadway may establish other franchised or company-owned restaurants outside of your Exclusive Area that may compete with your *Broadway Pizza*® Restaurant and can sell its proprietary products anywhere.

You will operate your *Broadway Pizza*® Business from your Franchised Location and cannot relocate your Franchised Location without Broadway's permission. You may relocate your Franchised Location if: (1) your new Franchised Location is within one-half mile of your current Franchised Location; (2) your new Franchised Location will not compete with any other *Broadway Pizza*® Restaurant; (3) your new Franchised Location is not within any territory licensed to another *Broadway Pizza*® Restaurant franchisee; and (4) your new Franchised Location does not compete with any location previously proposed by Broadway or another *Broadway Pizza*® Restaurant franchisee. If you relocate your Franchised Location, you must pay Broadway a Relocation Fee of \$5,000.

13. TRADEMARKS

You are licensed to operate your restaurant under the name "*Broadway Pizza*® . You are also authorized to use the logos which appear on the cover page of this Disclosure Document. You may only use Broadway's Marks in the manner authorized in writing by Broadway. The following is a list of the trademark and service mark registrations of Broadway's primary Marks on the principal register of the United States Patent and Trademark Office:

<u>Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
BROADWAY BAR & PIZZA®	1,247,364	December 12, 1981
BROADWAY PIZZA®	1,247,363	August 2, 1983

All required affidavits have been filed. There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceeding, and no pending material litigation involving the Marks which have limited or restricted the use of Broadway's Marks in any state.

There are no agreements currently in effect which significantly limit the rights of Broadway to use or license the use of the Marks in any manner material to you.

To the knowledge of Broadway, there are no infringing uses which could materially affect your use of the licensed Marks or other related rights in any state. You are required to provide Broadway with written notice of any claims made against or associated with Broadway's Marks. Broadway will protect your right to use the Marks and other related rights and protect you against claims of infringement and unfair competition with respect to the Marks. However, if anyone establishes to Broadway's satisfaction that its rights are, for any legal reason, superior to any of Broadway's Marks, then you must use such variances or other service marks, trademarks or trade names as Broadway requires to avoid conflict with any superior rights.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Broadway has copyrighted advertising copy and designs, training films, workbooks, Broadway's Operating Manual, Kitchen and Recipe Manual, the Menu, and items relating to the operation of *Broadway Pizza*® Restaurants. Broadway has not applied to the United States Copyright Office to register the copyrights.

You must keep confidential Broadway's Operating Manual, Kitchen and Recipe Manual, any supplements to the Manuals and any other manuals or written materials for your *Broadway Pizza*® Restaurant. The Operating Manual contains information for Broadway's Business System. The Kitchen and Recipe Manual contains Broadway's secret recipes. Broadway considers this information and its proprietary seasoning blends a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. Your employees must sign confidentiality agreements which will require them to keep confidential, both during and after employment, all information that Broadway designates as confidential and proprietary.

Broadway does not own any patents.

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

You are not required to participate in the operation of your *Broadway Pizza*® Restaurant. However, your *Broadway Pizza*® Restaurant must be managed by a Store Manager and an Associate Manager who have successfully completed Broadway's training program. The Non-Operating Owners and the Operating Owner must also attend training.

Your Store Manager, Associate Manager and all other employees who will have access to the Operating Manual, Kitchen and Recipe Manual and Menu will each be required to sign a written agreement and keep confidential, both during and after employment, all information that Broadway designates as confidential and proprietary. If the Franchisee is not an individual, you must personally guarantee all of the Franchisee's obligations to Broadway pursuant to the Franchise Agreement. You must also promise in writing that during the term of the Franchise Agreement, you will not participate in any restaurant, fast food, pizza, pasta or on-sale liquor business or other restaurant business that competes with a *Broadway Pizza*® Restaurant. For nine months after the termination of your Franchise Agreement, you cannot participate in any restaurant, fast food, pizza, pasta or on-sale liquor business or other restaurant business that is located within five miles of the Franchised Location, any *Broadway Pizza*® Restaurant or any exclusive area granted by Broadway.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the products and services specified or approved by Broadway in writing. Broadway has the right to set maximum prices for your *Broadway Pizza*® products, even though these prices may be lower than prevailing prices in the relevant restaurant market. You must sell all products and services authorized by Broadway. Broadway has the right, without any limitation, to change the authorized goods and services sold by your *Broadway Pizza*® Restaurants. You must not deliver food products to customers located outside of your Delivery Area without Broadway's written approval. If you open a Limited Service franchise, you must obtain written approval from Broadway before you begin your delivery business. These requirements are necessary to maintain Broadway's standards for quality, freshness and taste. Otherwise, you are not limited to whom you may sell *Broadway Pizza*® products and services.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and the Addenda to the Franchise Agreement for a Traditional franchise and a Limited Service franchise. You should read these provisions in the Franchise Agreement and Addenda attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision ⁽¹⁾	Article in Franchise Agreement	Summary
a) Length of Franchise Term	Article 2.1	10 years for a Traditional franchise; 5 years for a Limited Service franchise.
b) Renewal or extension of the term	Article 3.1	Same as the term of Broadway's then-current standard Franchise Agreement for a Traditional or Limited Service franchise. Please be aware that these terms and conditions of the then-current standard Franchise Agreement may be different from those in the Franchisee's original Franchise Agreement.
c) Requirements for franchisee to renew or extend ⁽²⁾	Article 3.1	You must give Broadway 180 days notice before your Franchise Agreement expires; you have complied with all material terms and conditions of your Franchise Agreement; you have paid all monetary obligations owed to Broadway; you agree in writing to remodel, modernize and redecorate your Franchised Location; you have the right to occupy the Franchised Location for the term of Broadway's then-current standard Franchise Agreement; your Operating Owner has been retrained; you sign Broadway's then-current standard Franchise Agreement; and pay Broadway a \$2,500 Training and Assessment Fee.
d) Termination by franchisee	Article 21	If Broadway violates any material provision of the Franchise Agreement or fails to timely pay any uncontested obligation due to you.
e) Termination by Broadway without cause	Not Applicable	
f) Termination by Broadway with cause	Article 20	If you breach the Franchise Agreement.
g) "Cause" defined - defaults which can be cured ⁽²⁾	Article 20.1	You will have 30 days to cure: a failure to have your Franchised Location under construction within 120 days of signing the Franchise Agreement; a failure to open your <i>Broadway Pizza</i> ® Restaurant within 170 days of signing the Franchise Agreement; a violation of any material provision of the Franchise Agreement; your conviction of any law relating to your <i>Broadway Pizza</i> ® Restaurant or a felony; a failure to conform to the Business System; a failure to pay any uncontested fee to anyone; a determination that you are insolvent; an assignment made by you for the benefit of creditors; any check issued by you which is dishonored; a failure to pay for leasehold improvements, furniture, fixtures or equipment before commencing business; abandonment of your Franchised Location; an attempt by you to analyze Broadway's food recipes or proprietary

Provision ⁽¹⁾	Article in Franchise Agreement	Summary
		seasoning blends or sauces; any conduct which materially impairs Broadway's Marks or Business System; loss of possession of the Franchise Location; a failure to file or pay required income or sales taxes; or termination of your food service license or liquor license. You have 15 days to cure a failure to pay any fees due to Broadway.
h) "Cause" defined - defaults which cannot be cured	Article 20.5	You are convicted of any law relating to your <i>Broadway Pizza</i> ® Restaurant or a felony; you are deemed insolvent; you make an assignment for the benefit of creditors; you abandon your <i>Broadway Pizza</i> ® Restaurant; you attempt to analyze Broadway's food recipes or proprietary seasoning blends or sauces; or your conduct materially impairs Broadway's Marks or Business System and you fail to correct your conduct within 24 hours.
I) Franchisee's obligations on termination/non-renewal	Article 22	You must cease using Broadway's Marks; pay what you owe Broadway pursuant to the Franchise Agreement within five days of termination; immediately return all printed materials Broadway provided to you; alter the appearance of your Franchised Location; and transfer your telephone directory listings to Broadway.
j) Assignment of the contract by Broadway	Article 18.1	No restriction on Broadway's right to assign.
k) "Transfer" by franchisee – definition	Articles 18.2 and 18.3	Assignment to owned or controlled corporation or assignment in the event of death or disability; assignment of the Franchise Agreement or ownership in the Franchisee.
l) Broadway's approval of transfer by franchisee ⁽³⁾	Article 18.4	Broadway has the right to approve any transfer made by you but will not unreasonably withhold its consent.
m) Conditions for Broadway's approval of transfer	Article 18.4	You must provide Broadway 30 days written notice of the transfer; comply with Broadway's right of first refusal; pay all money owed to Broadway; execute a written agreement between you and Broadway including a joint and mutual release; transferee meets Broadway's standards; transferee signs Broadway's then-current Franchise Agreement; transferee does not own a business which competes with a <i>Broadway Pizza</i> ® Restaurant; transferee's Operating Owner, Non-operating Owner, Store Manager and Associate Manager complete training program; transferee has acquired the right to occupy the Franchised Location; transferee has acquired a valid food service and liquor license (if applicable); and you pay the transfer fee.
n) Broadway's right of first refusal to acquire franchisee's business	Article 17.1	You must first offer the sale of your <i>Broadway Pizza</i> ® Restaurant or Business Assets to Broadway before selling to anyone else. After you present an offer to sell or a third party's offer to purchase your <i>Broadway Pizza</i> ® Restaurant or Business Assets to Broadway, Broadway must respond within 15 days of receiving your offer. If Broadway begins negotiations to purchase your <i>Broadway Pizza</i> ® Restaurant or Business Assets, you must continue negotiations until you and Broadway have agreed in writing that negotiations have terminated.

Provision ⁽¹⁾	Article in Franchise Agreement	Summary
o) Broadway's option to purchase franchisee's business	Article 17.6	If your Franchise Agreement terminates or expires, Broadway may purchase your <i>Broadway Pizza</i> ® Restaurant or Business Assets.
p) Death or disability of Franchisee	Article 18.3	If you are an individual, your Franchise Agreement may be transferred to anyone without paying a transfer fee to Broadway.
q) Non-competition covenants during the term of the franchise	Article 23.2	You may not participate in any restaurant, fast food, pizza, pasta or on-sale liquor business or other restaurant business that competes with a <i>Broadway Pizza</i> ® Restaurant.
r) Non-competition covenants after the franchise is terminated or expires	Article 23.3	You may not participate in any restaurant, fast food, pizza, pasta or on-sale liquor business or other restaurant business that is within five miles of the Franchised Location, any <i>Broadway Pizza</i> ® Restaurant or any exclusive area granted by Broadway for nine months after the termination of your Franchise Agreement.
s) Modification of the agreement	Article 28.10	Only by written agreement between you and Broadway.
t) Integration/merger clauses	Article 28.11	The Franchise Agreement is the entire agreement between you and Broadway.
u) Dispute resolution by arbitration or mediation	Articles 26 and 27	Except for certain claims, disputes must be submitted to non-binding mediation and arbitrated in Minneapolis, Minnesota.
v) Choice of forum ⁽⁴⁾	Article 28.8	Litigation must be in Hennepin County, Minnesota.
w) Choice of law	Article 32.1	Governing law will be the laws of the state in which your <i>Broadway Pizza</i> ® Restaurant is located

Notes.

- (1) The following states have statutes which may supersede the provisions of your Franchise Agreement, including the areas of termination and renewal of your *Broadway Pizza*® Restaurant franchise: ARKANSAS [Stat. Section 70-807], CONNECTICUT [Gen. Stat. Section 42-133e, et seq.], DELAWARE [Code Section 2552], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the provisions of the Franchise Agreement in your relationship with Broadway. Provisions in the Franchise Agreement which give Broadway the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. ' ' 101 - 1500 (1998).
- (2) If your *Broadway Pizza*® Restaurant is located in Minnesota, Broadway will comply with Minn. Stat. Sec. 80C. 14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewable of your franchise.
- (3) If your *Broadway Pizza*® Restaurant is located in Minnesota, then the scope of the joint and mutual release executed by you as a condition to transfer of the franchised business will be limited by applicable law. See Article 32.2 of the Franchise

Agreement.

- (4) This Article may be superseded if your *Broadway Pizza*® Restaurant is located in Michigan (a provision of a franchise agreement which requires that arbitration or litigation be conducted outside of a Michigan franchisee's state will be unenforceable).

18. PUBLIC FIGURES

Broadway does not use any public figure to promote its franchise. No public figure is involved in the management of Broadway.

19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Broadway does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. Broadway also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, 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 James A. Kruiuzenga, President, Broadway Stations Restaurants, Inc., 1818 Wooddale Drive, Suite 202, Woodbury, Minnesota 55125 and (651) 731-0800, the Federal Trade Commission, and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
FOR THE YEARS ENDED DECEMBER 31, 2005, 2006, 2007

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2005	15	14	-1
	2006	14	15	+1
	2007	15	16	+1
Company-Owned	2005	0	0	0
	2006	0	0	0
	2007	0	0	0
Total Outlets	2005	15	14	-1
	2006	14	15	+1
	2007	15	16	+1

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR THE YEARS ENDED DECEMBER 31, 2005, 2006, 2007

State	Year	Number of Transfers
Minnesota	2005	1
	2006	0
	2007	1
Total Outlets	2005	1
	2006	0
	2007	1

Table No. 3
STATUS OF FRANCHISE OUTLETS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2006, 2007

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-Acquired by Franchisor	Ceased Operations Other Reasons	Outlets at the End of the Year
Minnesota	2005	15	0	0	0	0	1	14
	2006	14	2	1	0	0	0	15
	2007	15	1	0	0	0	0	16
Totals	2005	15	0	0	0	0	1	14
	2006	14	2	1	0	0	0	15
	2007	15	1	0	0	0	0	16

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2006, 2007

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-Acquired by Franchisor	Ceased Operations Other Reasons	Outlets at the End of the Year
Minnesota	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0
Totals	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0

**Table No. 5
PROJECTED OPENINGS BY DECEMBER 31, 2008**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projecting Company-Owned Outlet in Next Fiscal Year
Minnesota	0	1	0

Company Owned-Restaurants. Broadway does not own a *Broadway Pizza®* Restaurant. However, Broadway operates two franchised *Broadway Pizza®* Restaurants pursuant to management contracts; one for C.I.A.O., Inc. and one for The Original Broadway Station, Inc., each under a separate management contract.

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

Current Franchisees. The following is a list of the names, addresses and telephone numbers of the 15 operational *Broadway Pizza®* Restaurant franchises:

The Original Broadway Station, Inc d/b/a Broadway Pizza® Minneapolis 2025 West River Road Minneapolis, MN 55411 Telephone: 612-529-7745	R.H.W. Kurth, Inc. d/b/a Broadway Bar & Pizza® Elk River P.O. Box 1761 6754 Highway 10 Elk River, MN 55330 Telephone: 763-441-5180
Pies On O, LLC d/b/a Broadway Pizza® New Brighton 1431B Silver Lake Road New Brighton, MN 55112 Telephone: 651-639-9425	Buddy Buck, Inc. d/b/a Broadway Pizza® Richfield 7514 Lyndale Ave. S. Richfield, MN 55423 Telephone: 612-861-3402
Pas Boz, Inc. d/b/a Broadway Pizza® 1828 Como Ave. SE Minneapolis, MN 55414 Telephone: 612-789-5562	KB& J Enterprises, LLC d/b/a Broadway Pizza® Plymouth Bar & Pizza 13705 27th Ave N Plymouth, MN 55441 Telephone: 763-551-0155
GMME Dough, Inc. d/b/a Broadway Bar & Pizza® Fridley 8298 University Avenue Northeast Fridley, MN 55432 Telephone: 763-277-6677	ASP Enterprises, LLC d/b/a Broadway Pizza® Maple Grove 8069 Wedgewood Lane North Maple Grove, MN 55369 Telephone: 763-416-4446
Champlin Palace Inn, Inc. d/b/a Broadway Bar & Pizza® Champlin 11186 Commerce Drive Champlin, Minnesota 55316 Telephone: 763-433-9228	Grand Central Station, Inc. d/b/a Broadway Pizza® Apple Valley 15050 Cedar Avenue South, Suite 118 Apple Valley, MN 55124 Telephone: 952-953-3303
Kneadin' Dough, Inc. d/b/a Broadway Pizza® Woodbury 1575 Queens Drive Woodbury, MN 55125 Telephone: 651-731-3133	Cheeza, Inc. d/b/a Broadway Pizza® Stillwater 1980 Market Drive Stillwater, MN 55082 Telephone: 651-430-9888

PizzaHeads, Inc. d/b/a Broadway Pizza® Shoreview 5918 Lexington Ave. Shoreview, MN 55126 Telephone: 651-784-7151	KB&J's Enterprises, LLC d/b/a Broadway Bar & Pizza® Rogers 21431 141st Avenue North Rogers, MN 55374 Telephone: 763-428-3013
Benedict Investments, LLC d/b/a Broadway Pizza® Gaviidae Common 555 Nicollet Mall , FC6 Minneapolis, MN 55402 Telephone: 612-465-8899	Rude Enterprises, LLC d/b/a Broadway Bar & Pizza® Maplewood 1900 E. County Road D Maplewood, MN 55109 Telephone: 651-739-3400

21. FINANCIAL STATEMENTS

Attached as Exhibit C are the audited Financial Statements of Broadway Station Restaurants, Inc. for the periods ended December 31, 2007, December 31, 2006 and December 31, 2005.

22. CONTRACTS

Attached as Exhibit D is the Franchise Agreement. Attached as Exhibit E is the Addendum to the Franchise Agreement for a Limited Service Franchise. Attached as Exhibit F is the Franchisee Questionnaire.

23. RECEIPT

The last page of this Disclosure Document is a detachable Acknowledgment of Receipt.

**Standard Operating Manual
Table of Contents**

GENERAL EMPLOYEE GUIDELINES

- Broadway Pizza Locations
- What Is Broadway Pizza?
- A Classic American Story
- Employee Handbook
- Application
- Form W-4
- Form 1-9
- Shift Availability Form
- Shift Change Authorization Form
- Uniform Deposit Form
- Employee Meal Policy
- Break Sign Out Sheet
- Tour of Restaurant
- Seating Chart
- Basic Complaint Handling Rules
- Complaint Handling Suggestions
- Orientation Quiz
- Sample Coupons

MANAGER TRAINING

- Confidentiality Agreement
- Screening Qualifiers
- Second Interview Form
- Reference Check
- Sample Interview Questions
- Training Program Notes
- Manager Training
- Reprimand Notice
- Performance Counseling
- Annual Law Review

HOSTESS TRAINING

- Hostess Training Schedule
- Hostess Manual

SERVER TRAINING

- Server Training Schedule
- Server Manual
- Product Descriptions
- Server Evaluation
- Product Knowledge Quiz

KITCHEN PERSONNEL TRAINING

Kitchen Personnel Training Schedule
Kitchen Personnel Training Checklist
Dishwasher Training
Busser Training
Line Cook Job Description Priorities
Pizza Cook Job Description / Priorities
Product Descriptions
Product Knowledge Quiz
Pizza Chart Quiz
Food Production Knowledge Test

DRIVER TRAINING

Obtaining Driving Record
Vehicle Information

TELEPHONE TRAINING

Telephone Etiquette Manual

SANITATION

Sanitation Manual
Sanitation Quiz

**Standard Kitchen and Recipe Manual
Table of Contents**

VENDORS

Approved Vendor List
Beverage Vendors

ORDER GUIDES

Food Ordering
Order Guides by Vendor

PREP LISTS/SET UP GUIDELINES

Salad Bar Setup
Back Line Setup
Pizza Line Setup
Buffet Items by Day
Buffet Usage Chart
Back Line Food Prep List
Pizza Line Prep List

DUTY LISTS

Day Server Clean Up List
Front Server Station
Dessert Station
Host Station
Kitchen Server Station
Cooler
Swampers Cleaning List
Host/Server Weekly Clean-ups
Pizza Line Opening/Closing Duties
Front Counter/Oven Tender Opening/Closing Duties
Back Line Opening/Closing Duties
Dish Area Closing Duties
Prep/Delivery Area. Opening/Closing Duties
Reservation Lists
Waiting Line Sheet

RECIPES

Appetizers
Signature Salads
Children's Menu
Burgers and Sandwiches
Hoagies
Pasta! Pasta!
Malts. Floats & Delectable Desserts
Additional Recipes
Sauces. Dressings. Greens

PIZZA MANUAL

Pizza Manual
Portion Charts

ADMINISTRATIVE PROCEDURES

Each Day
Procedure For End-of-day Reports
Daily Sales Reconciliation
Cash Owed Daily Worksheet
Cash Paid Outs Summary
Inter-Store Transfer
Weekly Procedures
Monthly Procedures
Daily Check Recap
FoodTrak Database Additions

Financial Statements

Franchise Agreement

ADDENDUM TO BROADWAY STATION RESTAURANTS, INC.
FRANCHISE AGREEMENT
FOR BROADWAY PIZZA® EXPRESS LIMITED SERVICE FRANCHISE

THIS ADDENDUM TO THE FRANCHISE AGREEMENT is entered into this ____ day of _____, _____, by and between BROADWAY STATION RESTAURANTS, INC. ("BROADWAY") and _____ (the "FRANCHISEE") to amend and revise certain provisions of the FRANCHISE AGREEMENT between the FRANCHISEE and BROADWAY, dated as of the date of this ADDENDUM, as follows:

WHEREAS, BROADWAY and the FRANCHISEE desire to revise certain terms of and obligations under the FRANCHISE AGREEMENT according to the terms and conditions set forth in this ADDENDUM;

THEREFORE, the FRANCHISEE and BROADWAY agree as follows:

(A) The FRANCHISE AGREEMENT is amended to reflect that the FRANCHISEE will operate its Franchised Location as a *Broadway Pizza® Express* business in accordance with the FRANCHISE AGREEMENT and this ADDENDUM.

(B) ARTICLE 2.1 of the FRANCHISE AGREEMENT is amended as follows:

2.1 **TERM**. The term of this AGREEMENT will be for five (5) years, and will commence on the date set forth on Page 1 of this AGREEMENT. This AGREEMENT will not be enforceable until it has been signed by both the FRANCHISEE and BROADWAY and until this AGREEMENT, signed by the FRANCHISEE and BROADWAY (and, if applicable, the FRANCHISEE'S shareholders or partners and Personal Guarantors), has been delivered to the FRANCHISEE by BROADWAY.

(C) ARTICLE 4.1 of the FRANCHISE AGREEMENT is amended as follows:

4.1 **INITIAL FEE**. The FRANCHISEE will pay BROADWAY an Initial Fee of Fifteen Thousand Dollars (\$15,000) on the date this AGREEMENT is executed by the FRANCHISEE. Regardless of any other provision of this AGREEMENT to the contrary, this AGREEMENT will not become effective until the Initial Fee has been paid in full by the FRANCHISEE. The Initial Fee payable by the FRANCHISEE to BROADWAY is payment, in part, for the costs incurred by BROADWAY to operate its business, including costs for general sales and administrative expenses, travel, public relations, advertising, long distance telephone calls, training, marketing and promotion costs, advertising materials, legal and accounting fees, compliance with federal and state franchising and other laws, and the initial services rendered by BROADWAY to the FRANCHISEE as set forth in this AGREEMENT. Except as set forth in ARTICLE 4.3, the Initial Fee is non-refundable to the FRANCHISEE and fully earned by BROADWAY.

(D) ARTICLE 18.4 of the FRANCHISE AGREEMENT is amended as follows:

(K) The transferee franchisee has purchased or otherwise acquired a valid food service license for the *Broadway Pizza® Business* at the FRANCHISED LOCATION.

(E) ARTICLE 5.7 is added to the FRANCHISE AGREEMENT as follows:

5.7 MINIMUM CONTINUING FEES. For each year during the term of this AGREEMENT, the FRANCHISEE will pay a minimum amount of Continuing Fees of Six Thousand Dollars (\$6,000). If the FRANCHISEE'S aggregate yearly Continuing Fees paid pursuant to Article 5.1 do not exceed the minimum Continuing Fees, then the FRANCHISEE must pay to BROADWAY the difference between Six Thousand Dollars (\$6,000) and the Continuing Fees actually paid to BROADWAY by the FRANCHISEE by pre-authorized bank transfer from the FRANCHISEE'S account to the account of BROADWAY within 15 days of the end of each year. For the purposes of this Article, each "year" will be determined from the date the FRANCHISEE opens its *Broadway Pizza*® Business. If the FRANCHISEE fails to timely pay the minimum Continuing Fees due to BROADWAY under ARTICLE 5.7, then the amount of the unpaid and past due minimum Continuing Fees will bear simple interest at the rate equal to the lesser of 1) the maximum legal interest rate allowable in the state in which the FRANCHISEE'S *Broadway Pizza*® Express Business is located, or 2) eighteen percent (18%) per annum. If the FRANCHISEE fails to pay any minimum Continuing Fees within ten (10) days after the due date, then in addition to the interest payable by the FRANCHISEE as set forth above, the FRANCHISEE will pay BROADWAY a service charge of Fifty Dollars (\$50) which will be immediately due and payable. The FRANCHISEE will pay BROADWAY for any and all costs incurred by BROADWAY in the collection of unpaid and past due minimum Continuing Fees due from the FRANCHISEE including, but not limited to, the amount of actual attorneys' fees, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses incurred by BROADWAY.

(F) ARTICLE 7.1 is added to the FRANCHISE AGREEMENT as follows:

7.1 MONTHLY, YEAR-TO-DATE AND ANNUAL FINANCIAL STATEMENTS. The FRANCHISEE will, at its expense, provide BROADWAY with monthly and year-to-date balance sheets and profit and loss statements, and annual financial statements for the FRANCHISEE'S Business, including any other business operated out of the Franchised Location, which will consist of a balance sheet, profit and loss statement, statement of cash flows and explanatory footnotes. All financial statements provided to BROADWAY under this AGREEMENT will be presented in accordance with generally accepted accounting principles applied on a consistent basis.

(G) ARTICLE 7.4 is added to the FRANCHISE AGREEMENT as follows:

7.4 INCOME TAX RETURNS. Within one hundred twenty (120) days after the FRANCHISEE'S fiscal year end, the FRANCHISEE will provide BROADWAY with signed copies of the FRANCHISEE'S annual federal and state income tax returns filed by the FRANCHISEE for the Business, including any other business operated out of the Franchised Location (including any amended tax returns filed by the FRANCHISEE), together with proof that the FRANCHISEE has paid all federal and state income taxes due.

(H) ARTICLE 8.8 is added to the FRANCHISE AGREEMENT as follows:

8.8 DELIVERY. The area for which the FRANCHISEE is authorized by BROADWAY to deliver food products to customers will be the "Delivery Area." The FRANCHISEE will not deliver food products to customers unless approved by BROADWAY in writing. If a Delivery Area is established by BROADWAY in writing, it may be increased only with the written consent of BROADWAY if BROADWAY determines that the FRANCHISEE will be able to maintain BROADWAY's food delivery standards for quality, freshness and taste. BROADWAY reserves the right to increase or decrease the FRANCHISEE'S Delivery Area, outside of the FRANCHISEE'S Exclusive Area, solely at BROADWAY'S discretion.

(I) ARTICLE 14.2 of the FRANCHISE AGREEMENT is amended as follows:

14.2 TRAINING PERIOD. The mandatory training program will be scheduled by BROADWAY in its sole discretion and will be at least three (3) days for the Non-Operating Owners, twenty (20) days for the Operating Owner and the FRANCHISEE'S Store Manager, and ten (10) days for the FRANCHISEE'S Associate Manager. During training, the Operating Owner, the Store Manager and the Associate Manager must be available for training seven (7) days a week, except as specified to the contrary by BROADWAY. The Operating Owner, the FRANCHISEE'S Store Manager and the FRANCHISEE'S Associate Manager must successfully complete BROADWAY'S training program and be certified by BROADWAY as qualified to operate the FRANCHISEE'S *Broadway Pizza*® Express Business. If the FRANCHISEE'S Operating Owner, the FRANCHISEE'S Store Manager and the FRANCHISEE'S Associate Manager have not been certified by BROADWAY or have failed to successfully complete BROADWAY'S training program, then the FRANCHISEE'S Operating Owner, the FRANCHISEE'S Store Manager and the FRANCHISEE'S Associate Manager will not be permitted or authorized to participate in the operation of the FRANCHISEE'S *Broadway Pizza*® Express Business, and BROADWAY will have the right to reject the FRANCHISEE and terminate this AGREEMENT pursuant to ARTICLE 4.2.

To the extent this ADDENDUM is deemed to be inconsistent with any terms or conditions of the FRANCHISE AGREEMENT or the exhibits or attachments thereto, the terms of this ADDENDUM will govern. All other terms and conditions of the FRANCHISE AGREEMENT will remain the same.

WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this ADDENDUM, understands and consents to be bound by all of its terms, and agrees it will be effective as of date first above written.

In the Presence of:

"BROADWAY"

BROADWAY STATION RESTAURANTS, INC.

By _____
Its _____

In the Presence of:

"FRANCHISEE"

SHAREHOLDERS:

FRANCHISEE QUESTIONNAIRE

As you know, Broadway Station Restaurants, Inc. ("Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a Broadway Pizza® restaurant business ("Franchise"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

1. Have you received and personally reviewed the Franchisor's Uniform Franchise Disclosure Document ("Disclosure Document") provided to you?
Yes _____ No _____

2. Did you sign a receipt for the Disclosure Document indicating the date you received it?
Yes _____ No _____

3. Do you understand the information contained in the Disclosure Document?
Yes _____ No _____

4. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?
Yes _____ No _____

5. Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____, 200__

6. Do you understand your financial and other obligations under the Franchise Agreement?
Yes _____ No _____

7. Have you discussed the economic and business risks of owning and operating the Franchise with an attorney, accountant or other professional advisor?
Yes _____ No _____

8. Do you understand the economic and business risks associated with operating the Franchise?
Yes _____ No _____

9. Do you understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, the service you provide to your customers, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
Yes _____ No _____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you or anyone else regarding the amount of money you may earn in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you or anyone else concerning the total revenues the Franchise may generate that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you or anyone else regarding the costs involved in operating the Franchise that are contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you or anyone else concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you or anyone else, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

15. If you answered "Yes" to any of questions 10 through 14, please provide a full explanation of your answer in the following blank lines (attach additional pages, if necessary, and refer to them below). If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

You understand that your answers are important to us and that we will rely upon them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

FRANCHISE APPLICANT

_____, 200__

_____, 200__

**STATE AGENCY EXHIBIT
TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT**

California Department of Corporations
3700 Wilshire Boulevard, Suite 600
Los Angeles, California 90010
(213) 736-2741

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

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

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

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Kentucky Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankfort, Kentucky 40602
(502) 573-2200

Maryland Division of Securities
Office of the Attorney General
200 St. Paul Place, 20th Floor
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan Attorney General's Office
Consumer Protection Division
ATTN: Franchise Unit
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
(612) 296-6328

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509-5006
(402) 471-3445

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

North Dakota Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
(701) 224-4712

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

Chief Securities Examiner
Rhode Island Department of Business Regulation
Baniting Division, Franchise Section
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 277-3048

South Dakota Department of Commerce
and Regulation
Division of Securities
118 West Capitol Avenue
Pierre, South Dakota 57501-2017
(605) 773-4013

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

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

Virginia State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9023

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

Wisconsin Commissioner of Securities
101 East Wilson Street, 4th Floor
Madison, Wisconsin 53702
(608) 266-3431

RECEIPT

BROADWAY STATION RESTAURANTS, INC.
Uniform Franchise Disclosure Document
Effective Date: May 1, 2008

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF BROADWAY STATION RESTAURANTS, INC. OFFERS YOU A FRANCHISE, BROADWAY STATION RESTAURANTS, INC. MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF BROADWAY STATION RESTAURANTS, INC. DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE SECURITIES DIVISION, DEPARTMENT OF COMMERCE, 85 SEVENTH PLACE EAST, SUITE 500, ST. PAUL, MINNESOTA 55101.

Broadway Station Restaurants, Inc. authorizes any officer or director of Broadway Station Restaurants, Inc., 1818 Wooddale Drive, Suite 202, Woodbury, Minnesota 55125 to receive service of process for Broadway Station Restaurants, Inc.

I have received a Disclosure Document of Broadway Station Restaurants, Inc., effective as of the date indicated above. This Disclosure Document included the following documents: Exhibit A - Standard Operating Manual Table of Contents; Exhibit B - Standard Kitchen and Recipe Manual Table of Contents; Exhibit C - Audited Financial Statements; Exhibit D - Franchise Agreement; Exhibit E - Addendum to Franchise Agreement for Limited Service Franchise; Exhibit F - Franchisee Questionnaire; and State Agency Exhibit.

I acknowledge that *Broadway Pizza*® Restaurants reserves the right to vary the terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size or costs for goods, materials, and supplies incurred by *Broadway Pizza*® Restaurants. Any such variation to the terms or provisions within the contract or agreement shall not be considered as substantially varying so as to constitute a new franchise offering.

I acknowledge that the information contained in the Disclosure Document of Broadway Station Restaurants, Inc. is confidential and proprietary. I agree that this information will be used only for purposes of evaluating the possible purchase of a Broadway Station Restaurants, Inc. franchise, and will not be disclosed to any person other than my legal and financial advisors.

Signed: _____
Print Name: _____
Address: _____

Telephone: (____) _____
Dated: _____

Signed: _____
Print Name: _____
Address: _____

Telephone: (____) _____
Dated: _____

Copy to:
BROADWAY STATION RESTAURANTS, INC.
1818 Wooddale Drive, Suite 202
Woodbury, Minnesota 55125

RECEIPT

BROADWAY STATION RESTAURANTS, INC.

Uniform Franchise Disclosure Document

Effective Date: May 1, 2008

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF BROADWAY STATION RESTAURANTS, INC. OFFERS YOU A FRANCHISE, BROADWAY STATION RESTAURANTS, INC. MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF BROADWAY STATION RESTAURANTS, INC. DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE SECURITIES DIVISION, DEPARTMENT OF COMMERCE, 85 SEVENTH PLACE EAST, SUITE 500, ST. PAUL, MINNESOTA 55101.

Broadway Station Restaurants, Inc. authorizes any officer or director of Broadway Station Restaurants, Inc., 1818 Wooddale Drive, Suite 202, Woodbury, Minnesota 55125 to receive service of process for Broadway Station Restaurants, Inc.

I have received a Disclosure Document of Broadway Station Restaurants, Inc., effective as of the date indicated above. This Disclosure Document included the following documents: Exhibit A - Standard Operating Manual Table of Contents; Exhibit B - Standard Kitchen and Recipe Manual Table of Contents; Exhibit C - Audited Financial Statements; Exhibit D - Franchise Agreement; Exhibit E - Addendum to Franchise Agreement for Limited Service Franchise; Exhibit F - Franchisee Questionnaire; and State Agency Exhibit.

I acknowledge that *Broadway Pizza*® Restaurants reserves the right to vary the terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size or costs for goods, materials, and supplies incurred by *Broadway Pizza*® Restaurants. Any such variation to the terms or provisions within the contract or agreement shall not be considered as substantially varying so as to constitute a new franchise offering.

I acknowledge that the information contained in the Disclosure Document of Broadway Station Restaurants, Inc. is confidential and proprietary. I agree that this information will be used only for purposes of evaluating the possible purchase of a Broadway Station Restaurants, Inc. franchise, and will not be disclosed to any person other than my legal and financial advisors.

Signed: _____

Print Name: _____

Address: _____

Telephone: (____) _____

Dated: _____

Signed: _____

Print Name: _____

Address: _____

Telephone: (____) _____

Dated: _____

Copy to:
FRANCHISEE

RECEIPT

BROADWAY STATION RESTAURANTS, INC.
Uniform Franchise Disclosure Document
Effective Date: May 1, 2008

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF BROADWAY STATION RESTAURANTS, INC. OFFERS YOU A FRANCHISE, BROADWAY STATION RESTAURANTS, INC. MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF BROADWAY STATION RESTAURANTS, INC. DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE SECURITIES DIVISION, DEPARTMENT OF COMMERCE, 85 SEVENTH PLACE EAST, SUITE 500, ST. PAUL, MINNESOTA 55101.

Broadway Station Restaurants, Inc. authorizes any officer or director of Broadway Station Restaurants, Inc., 1818 Wooddale Drive, Suite 202, Woodbury, Minnesota 55125 to receive service of process for Broadway Station Restaurants, Inc.

I have received a Disclosure Document of Broadway Station Restaurants, Inc., effective as of the date indicated above. This Disclosure Document included the following documents: Exhibit A - Standard Operating Manual Table of Contents; Exhibit B - Standard Kitchen and Recipe Manual Table of Contents; Exhibit C - Audited Financial Statements; Exhibit D - Franchise Agreement; Exhibit E - Addendum to Franchise Agreement for Limited Service Franchise; Exhibit F - Franchisee Questionnaire; and State Agency Exhibit.

I acknowledge that *Broadway Pizza*® Restaurants reserves the right to vary the terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size or costs for goods, materials, and supplies incurred by *Broadway Pizza*® Restaurants. Any such variation to the terms or provisions within the contract or agreement shall not be considered as substantially varying so as to constitute a new franchise offering.

I acknowledge that the information contained in the Disclosure Document of Broadway Station Restaurants, Inc. is confidential and proprietary. I agree that this information will be used only for purposes of evaluating the possible purchase of a Broadway Station Restaurants, Inc. franchise, and will not be disclosed to any person other than my legal and financial advisors.

Signed: _____
Print Name: _____
Address: _____

Telephone: (____) _____
Dated: _____

Signed: _____
Print Name: _____
Address: _____

Telephone: (____) _____
Dated: _____

Copy to:
Mark A. Tebelius, Esq.
Sjoberg & Tebelius, P.A.
2145 Woodlane Drive, Suite 101
Woodbury, Minnesota 55125