

NOTICE OF EXEMPTION FOR INTERNET ADVERTISING

10 CALIFORNIA CODE OF REGULATIONS §310.156.3

Franchisor J P Operations, Inc. d/b/a Jimano's Pizzeria, states as follows:

1. The Franchisor's Uniform Resource Locator ("URL") identifying the location of any Internet advertisement is www.jimanos.com.
2. The Franchisor, or anyone acting with the Franchisor's knowledge, agrees to comply with the California Franchise Investment Law, and rules thereunder, when posting any Internet advertisement on a website.
3. The Franchisor's name, address, telephone number, and contact person are:

Name: J P Operations, Inc., an Illinois corporation

Address: 7010 West Grand Avenue
Gurnee, IL 60031

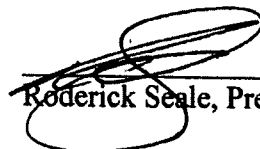
Telephone: (847) 477-2259

Contact: Roderick Seale

4. The undersigned is an officer of the Franchisor who has direct responsibility for the conduct of the Franchisor's activities.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed in Gurnee, Illinois on April 11, 2013.

J P Operations, Inc.



Roderick Seale, President

ITEM 6: OTHER FEES			
Type of Fee	Amount	Due Date	Remarks
Site Inspection Fee (Note 4)	If you request more than 2 visits, actual cost of airfare, auto rental, hotel expenses, and other expenses incurred by us, which currently may be between \$600 and \$1,800 per visit	Immediately upon billing	See Note 4
Insurance (Note 5)	If you fail to insure, cost of insurance plus interest	Immediately upon billing	See Note 5
Transfer (Note 6)	Per fee schedule, currently \$20,000	Concurrently with request for approval	See Note 6
Renewal Fee (Note 7)	\$35,000	Concurrently with notice of you intent to renew	See Note 7
Audit (Note 8)	If necessary, actual cost of audit, plus late fees and interest on the underpayment of royalty fees, which currently may be between \$5,000 and \$10,000	Immediately upon billing	Payable only if underpayment is greater than 2% of reported amounts See Note 8
Late Fee (Note 9)	10% of the amount past due or \$350, whichever is greater, <u>not to exceed the maximum amount allowed by state law</u>	After due date	For all overdue amounts See Note 9
Delinquent Report Fee (Note 10)	\$50 for each report that is past due, plus all our expenses if we must hire accountants to prepare a report	Immediately upon billing	See Note 10
Service Charge (Note 11)	For defaults actual costs, plus interest and a service fee equal to 5% of costs or \$350, whichever is greater	Immediately upon billing	See Note 11
Interest	1½% per month on amounts past due or, if lower, the highest legal rate	When payment of any amount is overdue	

records, or other required information or it discloses that you have understated your gross revenues by more than 2% for the period covered by the audit. In that event, you must reimburse us for the cost of the audit. The foregoing costs are not refundable.

Note 9 Late Fee

You must pay us a late charge equal to 10% of the amount of any royalty fee that is past due, or \$350, whichever is greater. The foregoing costs are not refundable. The late charge assessed on amounts past due will not exceed the maximum amount allowed by state law.

Note 10 Delinquent Report Fee

You must submit accurate monthly and annual financial reports as specified by Section 11 of the Franchise Agreement. Monthly sales reports are due on or before the 5th calendar day of the month immediately following the month to be reported. Monthly reports and profit and loss statements are due on or before the 15th calendar day of the month immediately following the month to be reported. A yearly report, including a profit and loss statement and a balance sheet is due on or before the 30th calendar day immediately following the year to be reported. You must make reports on forms as we require. If any report is not timely submitted to us, you must pay to us a late fee of \$50. The late fee is separately imposed for each report that is past due. If we engage independent accountants to prepare the reports on your behalf, we must provide you with five (5) days prior notice of our intention to engage the accountants. You must cooperate with the accountants and reimburse us for all of our expenses and those of the accountants for the preparation of the reports. The foregoing costs are not refundable.

Note 11 Service Charge

If you fail to maintain, repair, replace, or refurbish the franchised location and any signage within ten (10) days after receiving a demand for compliance, we reserve the right to enter the premises and perform such actions as we deem necessary to bring the franchised location into compliance with our standards. If we exercise this right, you must reimburse us for the costs of such work, interest on such costs at 1.5% per month or, if lower, the maximum rate allowed by law, and a service charge equal to 5% of the costs of the work or \$350, whichever is greater.

If you fail to maintain records or furnish any report when due, we reserve the right, upon five (5) days' notice to you, to engage an independent accountant to inspect and audit your records. If we engage an accountant, you must reimburse us for the costs of the inspection and audit, interest on past due fees at 1.5% per month or, if lower, the maximum rate allowed by law, and a service charge equal to 5% of the costs of the work or \$350, whichever is greater.

If you fail to secure and maintain the required insurance, we may obtain the insurance on your behalf, and you must pay us the cost of the insurance, interest on such costs at 1.5% per month or, if lower, the maximum rate allowed by law, and a service charge equal to 5% of the costs of the coverage or \$350, whichever is greater.

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