# FRANCHISE DISCLOSURE DOCUMENT

(BUSINESS WITHIN A BUSINESS)

**Franchise Disclosure Document**

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|---|---|
| | **Hangar 54 Pizza Franchising, LLC**<br>**A Delaware Limited Liability Company**<br>**120 Commerce Drive**<br>**Holts Summit, Missouri 65043**<br>**(573) 896-2500**<br>**sjb@pfsbrands.com**<br>**https://hangar54.pizza/** |

The franchisee will operate a Hangar 54 Pizza™ restaurant within an existing business the franchisee operates, like a grocery store or convenience store. The restaurant will offer a wide variety of pizza and breakfast items, and other menu items (the "Products and Services").

The total investment necessary to begin operation of a Hangar 54 Pizza franchise within an existing business is $9,000 to $349,000. This includes $4,500 to $130,000 that must be paid to the franchisor or affiliate**.**

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shawn Burcham at 120 Commerce Drive, Holts Summit, Missouri 65043 and (573) 896-2500.

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

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

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

Issuance Date: April 1, 2024

## How to Use This Franchise Disclosure Document

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

| QUESTION | WHERE TO FIND INFORMATION |
|---|---|
| **How much can I earn?** | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F. |
| **How much will I need to invest?** | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use. |
| **Does the franchisor have the financial ability to provide support to my business?** | Item 21 or Exhibit E includes financial statements. Review these statements carefully. |
| **Is the franchise system stable, growing, or shrinking?** | Item 20 summarizes the recent history of the number of company-owned and franchised outlets. |
| **Will my business be the only Hangar 54 Pizza Restaurant in my area?** | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| **Does the franchisor have a troubled legal history?** | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| **What's it like to be a Hangar 54 Pizza Franchisee?** | Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences. |
| **What else should I know?** | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State-Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only Missouri. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigation with the franchisor in Missouri that in your own state.

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Supplier Control.** You must purchase all or nearly all of your inventory or supplies that are necessary to operate your business from the franchisor, its affiliates or suppliers that the franchisor designates, at the prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce anticipated profit of your franchise business.

4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services or support to you.

5. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....1
ITEM 2 BUSINESS EXPERIENCE .....3
ITEM 3 LITIGATION .....7
ITEM 4 BANKRUPTCY .....7
ITEM 5 INITIAL FEES .....7
ITEM 6 OTHER FEES .....8
ITEM 7 ESTIMATED INITIAL INVESTMENT .....13
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....15
ITEM 9 FRANCHISEE'S OBLIGATIONS .....18
ITEM 10 FINANCING .....20
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....21
ITEM 12 TERRITORY .....30
ITEM 13 TRADEMARKS .....32
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....35
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....36
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP .....37
ITEM 18 PUBLIC FIGURES .....39
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....40
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....40
ITEM 21 FINANCIAL STATEMENTS .....45
ITEM 22 CONTRACTS .....45
ITEM 23 RECEIPTS .....46

**EXHIBITS**

A Hangar 54 Pizza™ Franchise Agreement
Attachment 1 - Addresses and Contact Information; Equipment; Special Terms and Conditions
Attachment 2 - Current Products and Services
B Gold and Silver Addenda to Franchise Agreement
Exhibit B-1 - Gold Addendum
Exhibit B-2 - Silver Addendum
C State Regulations and Requirements Addendum
D State Administrators and Agents for Service of Process
E Financial Statements
F List of Franchisees and Outlets
G Confidential Operations Manual Table of Contents
H Form of Release, Estoppel, Covenant Not to Sue, and Indemnification
I Hangar 54 Pizza Acknowledgment Statement
J Disclosure Document Receipts

# ITEM 1

## THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

### The Franchisor

The franchisor is Hangar 54 Pizza Franchising, LLC, referred to in this disclosure document as "Franchisor", "we," "us," "our," "the "Company," or "Hangar 54 Pizza™." We refer to the person interested in buying a franchise as "you" or "your". If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the franchise will apply to your owners. These are addressed in this disclosure document where appropriate.

Our principal business address is 120 Commerce Drive, Holts Summit, Missouri 65043. We are a Delaware limited liability company. We were organized on September 15, 2020. We do business under our corporate name and under the trade name and trade mark, "Hangar 54 Pizza™".

We grant franchises (the "Franchises") for the establishment and operation of Hangar 54 Pizza Restaurants featuring a wide variety of pizza and breakfast items, and other menu items (the "Restaurants" or the "Hangar 54 Pizza Restaurants").

We do not own or operate Hangar 54 Pizza Restaurants, although we reserve the right to do so.

We do not operate, franchise, or have plans to operate or franchise, a business under a different trademark, that is similar to the type of business to be operated by you.

We have offered franchises since the date of this Disclosure Document, December 8, 2020. We have not offered franchises in any other line of business.

Our agents for service of process in the states that require franchise registration are listed in Exhibit D to this disclosure document.

### Parent and Affiliates

Our parent is Pro Food Systems, Inc., a Missouri corporation, was formed on July 13, 1998, and its principal business address is 120 Commerce Drive, Holts Summit, Missouri 65043. We refer to Pro Food Systems, Inc. as "Pro Food Systems" or "Parent" and Franchisor is a wholly-owned subsidiary of Parent. Pro Food Systems, Inc. is the owner of the Marks and has licensed the use of the Marks to us.

From 1999 to 2013, Pro Food Systems offered licenses for the establishment and operation of restaurants within an existing business using the "Champs Chicken" trademark, offering and selling products and services that are food related, but different than the Hangar 54 Pizza products and services you will offer at your Restaurant.

In January 2015, Pro Food Systems began offering licenses for the establishment and operation of restaurants within an existing business using the "Cooper's Express®" trademark, offering and selling products and services that are food related, but different than the Hangar 54 Pizza Products and Services you will offer at your Restaurant. Pro Food Systems expects to expand the Cooper's Express program. Pro Food Systems currently has 309 licensees who use the Cooper's Express® trademark and continues to offer this license agreement.

In June 2015, our affiliate, Champs Chicken Franchising, LLC, began offering franchises for the establishment and operation of restaurants within an existing business using the "Champs Chicken®" trademark, offering and selling products and services that are food related, but different than the Hangar 54 Pizza Products and Services you will offer at your Restaurant. Our affiliate has not offering franchises in any other line of business.

Pro Food Systems also authorizes outlets to use the "Hot Mex Express®" trademarks. Pro Food Systems expects to expand the Hot Mex Express program. Hot Mex Express outlets are generally located within an existing business. They are owned and operated by Pro Food Systems' licensees. Pro Food Systems currently has 22 licensees who use the Hot Mex Express® trademark.

Pro Food Systems also authorizes outlets to use the "Wingman Pizza®" trademarks. Pro Food Systems expects to expand the Wingman Pizza program. Wingman Pizza outlets are generally located within an existing business. They are owned and operated by Pro Food Systems' licensees. Pro Food Systems currently has 243 licensees who use the Wingman Pizza® trademark.

Except as described above, our parent and our affiliate do not operate, franchise, or have plans to operate or franchise, a business under a different trademark that is similar to the type of business to be operated by you.

**Our Predecessor**

We do not have a predecessor.

**Our Business and the Franchises Offered**

Hangar 54 Pizza Restaurants offer Hangar 54 Pizza Products and Services we designate. We refer to the combination of the Hangar 54 Pizza concept, the Hangar 54 Pizza Marks, the Hangar 54 Pizza Products and Services, and our methods of operating a Restaurant, as the "System."

There are two types of Hangar 54 Pizza Restaurants:

1. Business within a Business: Restaurants located within an existing business the franchisee operates, like a grocery store or convenience store ("Business-Within-a-Business Locations" or "BWB Locations"). BWB Locations offer carry-out services, although customers may also dine-in if the Restaurant offers seating areas.

2. Freestanding: Restaurants that are freestanding or are developed in a strip mall, shopping center food court, airport, or similar facility. We refer to these locations as "Independent Locations." Independent Locations offer dine-in or carry-out services.

This disclosure document and the Franchise Agreement are for Business-Within-a-Business Locations.

Addendum

We will offer you an addendum to the Franchise Agreement under which we will pay you a cash rebate based on the amount of your net purchases of Branded Products during the fiscal year we prescribe. There are two levels of this addendum: (i) the Gold Level; and (ii) the Silver Level in which you are required to select when signing a Franchise Agreement with us.

1. Gold Level Addendum: If you sign the Gold Level Addendum, your Territory will consist of either

(a) a one-mile radius around your Restaurant, or (b) a smaller territory determined by us, at our sole discretion, if your Restaurant is located in a heavily populated area. Under the Gold Level Addendum, the percentage of rebate you receive is higher than that offered under the Silver Level Addendum.

2. Silver Level Addendum: If you sign the Silver Level Addendum, your Territory will consist of the outside shell of your Restaurant and we will not grant you any territorial protection outside of the shell of your Restaurant. Under the Silver Level Addendum, the percentage of rebate you receive is lower than that offered under the Gold Level Addendum.

**Laws and Regulations**

In addition to laws governing businesses generally such as the Americans with Disabilities Act, Federal Wage and Hours Laws, and the Occupation, Health and Safety Act, you should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration at the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions and restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national air quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of these laws impose caps on emissions resulting from commercial food preparation. State and local laws, regulations and ordinances vary significantly. You will need to understand and comply with these laws in operating the Restaurant. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

**Competition**

The restaurant industry is highly competitive. You will compete with other businesses and restaurants that offer the same type of products and services you offer; as well as other businesses and restaurants that offer food, beverages, products, and services different from those you will offer. These businesses may be connected with national or regional chains, or they may be local businesses.

## ITEM 2

## BUSINESS EXPERIENCE

**President and Chief Executive Officer: Shawn Burcham**

Mr. Burcham has served as our President and CEO since we were organized on September 4, 2013. From July 1998 to the present, he has also served as President and CEO of Pro Food Systems.

**Company Secretary: Julie Ann Burcham**

Ms. Burcham has served as Corporate Secretary of Pro Food Systems since July 1998. As part of our affiliate relationship with Pro Food Systems, she has also served as our Corporate Secretary since September 4, 2013.

**Vice President of Human Resources: Carla Dowden**

Ms. Dowden has served as Vice President of Human Resources of Pro Food Systems since November 2010. As part of our affiliate relationship with Pro Food Systems, she has also served as our Vice President of

Human Resource since September 4, 2013.

**Senior Vice President of Operations: Brock Blaise**

Mr. Blaise has served as Senior Vice President of Operations of Pro Food Systems since April 1, 2018. As part of our affiliate relationship with Pro Food Systems, he has also served as our Senior Vice President of Operations since April 1, 2018. From January 2015 to March 31, 2018, he served as Vice President of Operations of Pro Food Systems.

**Chief Financial Officer: Kyle Menges**

Mr. Menges has served as Chief Financial Officer of Pro Food Systems since December 1, 2021. As part of our affiliate relationship with Pro Food Systems, he also served as CFO since December 1, 2022. From April 30, 2018 to November 30, 2022, he served as Controller.

**Vice-President- Technology: John Bleidistel**

Mr. Bleidistel has served as Director of Technology of Pro Food Systems since February 2009. As part of our affiliate relationship with Pro Food Systems, he has also served as our Director of Technology since September 4, 2013.

**Key Account Manager: Brian Harding**

Mr. Harding has served as Key Account Manager of Pro Food Systems since October 2008. As part of our affiliate relationship with Pro Food Systems, he has also served as our Key Account Manager since September 4, 2013.

**National Business Developer: Lori Humphrey**

Ms. Humphrey has served as National Business Developer of Pro Food Systems since August 2005. As part of our affiliate relationship with Pro Food Systems, she has also served as our National Business Developer since September 4, 2013.

**Regional Manager-Retail Growth: Craig Mulcahy**

Mr. Mulcahy has served as Regional Manager of Pro Food Systems since January 1, 2016. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager since January 1, 2016. From March 19, 2014 to December 2015, he was a Territory Manager with Pro Food Systems.

**Regional Manager-Retail Growth: Tim Sullivan**

Mr. Sullivan has served as Regional Manager of Pro Food Systems since February 2012. As part of our affiliate relationship with Pro Food Systems he has also served as our Regional Manager since September 4, 2013.

**Regional Manager - Retail Growth: Dwight Stiles**

Mr. Stiles has served as Regional Manager of Pro Food Systems since September 1, 2021. From October 28, 2019 to August 31, 2021 he also served as Business Advisor. As part of our affiliate relationship with Pro Food Systems he served as a Business Advisor since October 28, 2012.

**Regional Manager - Retail Growth: Tim Huntington**

Mr. Huntington has served as Regional Manager of Pro Food Systems since October 1, 2021. From October 24, 2014 to September 30, 2021, he also served as a Business Advisor. As part of our affiliate relationship with Pro Food Systems he served as a Business Advisor since October 24, 2014.

**Regional Manager - Business Development: Ken Elders**

Mr. Elders has served as Regional Manager - Business Development of Pro Food Systems since January 16, 2019. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager - Business Development since January 16, 2019. From May 10, 2010 to January 15, 2019, he was Regional Business Developer of Pro Food Systems.

**Regional Manager – Business Development: Devon Clark**

Mr. Clark has served as Regional Manager – Business development of Pro Food Systems since October 31, 2022. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager – Business Development since October 31, 2022. From December 12, 1994 to September 6, 2022, he was the Senior Director of Business Development for OLM Food Solutions in Sioux Falls, South Dakota.

**National Business Developer: Brian Lee Fuller**

Mr. Fuller has served as National Business Developer since October 14, 2021. From March 2014 to October 13, 2021, he served as Senior Business Developer. As part of our affiliate relationship with Pro Food Systems, he has also served as our Senior Regional Business Developer of Pro Food Systems since March 2014. As part of our affiliate relationship with Pro Food Systems, he has also served as our Senior Regional Business Developer since October 26, 2017.

**Regional Business Developer: Richard Kimmel**

Mr. Kimmel has served as Regional Business Developer of Pro Food Systems since July 31, 2017. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since July 31, 2017. From August 2009 to July 2017, he served as District Manager of Orion Food Systems in Sioux Falls, South Dakota.

**Regional Business Developer: Wesley Heinert**

Mr. Heinert has served as Regional Business Developer of Pro Food Systems since March 2015. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since March 2015. From October 10, 2011 to March 2015, he served as Sales Representative of Missouri River Pages in Perham, Minnesota.

**Regional Business Developer: Richard Dias**

Mr. Dias has served as Regional Business Developer of Pro Food Systems since August 2017. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since August 2017. From June 2015 to August 2017, he served as Account Manager Midwest for Trilliant FBN located in Little Chute, Wisconsin. From March 2013 to May 2015, he served as Regional Sales Director for Ronnoco Coffee located in St. Louis, Missouri.

**Regional Business Developer: Clayton Waldie**

Mr. Waldie has served as Regional Business Developer of Pro Food Systems since June 4, 2018. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since June 4, 2018. From July 2017 to June 2018, he was Vice President of Operations for Waldie Farms located in Marion, North Dakota. From March 15, 2015 to July 1, 2017, he served as the Director of Sales and Marketing for CD Hartnett Company located in Weatherford, Texas. From October 1, 2007 to March 1, 2015, he served as District Sales Manager for U.S. Foods, Inc., located in Rosemont, Illinois.

**Regional Business Developer: John McMillin**

Mr. McMillin has served as Regional Business Developer of Pro Food Systems since November 18, 2019. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since November 18, 2019. From May 2018 to September 2019, he served in Regional Sales for H. T. Hackney, located in Somerset, Kentucky. From September 17, 2018 to May 18, 2018, he served as Outside Sales Representative for Silent Guard, located in Somerset, Kentucky. From March 17, 2017 to August 2017, he served as Outside Sales Representative for UniFirst Uniform Services, located in Lexington, Kentucky. From May 2016 to February 2017, he served as Outside Sales Representative for G&K Services, located in Minnetonka, Minnesota. From December 2012 to May 2016, he served as Food Service Director & Category Manager West Region, for H. T. Hackney, located in Somerset, Kentucky.

**Senior Vice President – Business Development: Mason Hutchinson**

Mr. Hutchinson has served as Vice President – Business Development since September 24, 2021. From April 28, 2020 to September 23, 2021, he served as Regional Manager – Business Development. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager – Business Development since April 28, 2020. From December 9, 2019 to April 27, 2020, he served as Regional Business Developer of Pro Food Systems. From April 2018 to November 2019, he served as Midwest Business Development Manager for Aperion Solutions, a division of Hussman Corporation, located in Bridgeton, Missouri. From August 2012 to April 2018, he served as Midwest Regional Sales Manager, for Crown Poly, Inc., located in Huntington, California.

**Regional Business Developer: David McCutcheon**

Mr. McCutcheon has served as Regional Business Developer of Pro Food Systems since May 26, 2020. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since May 26, 2020. From June 2018 to November 2019, he served as Territory Sales Manager for US Foods, located in Greensburg Pennsylvania. From June 2016 to May 2018, he served as Regional Sales Manager for QSR, located in Louisville, Kentucky. From April 2011 to December 2015, he served as Regional Sales Manager for Cambro Manufacturing, located in Huntington Beach, California.

**Regional Business Developer: Tawnie Hedrick**

Ms. Hedrick has served as Regional Business Developer of Pro Food Systems since May 29, 2020. As part of our affiliate relationship with Pro Food Systems, she has also served as our Regional Business Developer since May 31, 2020. From June 6, 2015 to May 13, 2020, she served as Mtn. States Supervisor MWC/DRT, for SAS/Advantage Sales, located in Boise, Idaho.

**Regional Business Developer: James Patrick Ross**

Mr. Ross has served as a Regional Business Developer for Pro Food Ssems since January 18, 2022. As

part of our affiliated relationship with Pro Food Systems, he has served as our Regional Business Developer since January 18, 2022. From January 2020 to January 2022, he served as a Territory Salesman for James River Petroleum in Richmond, Virginia. From September 2015 to January 2020, Mr. Ross served as a Salesman for National Resource Management in Boston, Massachusetts.

**Regional Business Developer: Joel "Frankie" Wagner**

Mr. Wagner has sserved as a Regional Business Developer for Pro Food Systems since November 7, 2022. As part of our affiliated relationship with Pro Food Systems, he has served as our Regional Business Developer since November 7, 2022. From March 2021 to November 2022, he served as a Licensed Insurance Broker for Independent Insurance Broker in Lauderdale, Mississippi. From October 2017 to March 2021, Mr Wagner served as a Business Development Executive for Gulf Coast Produce Distributors in Biloxi, Mississippi

Except as shown above, all positions have been located in Holts Summit, Missouri.

## ITEM 3

## LITIGATION

No litigation is required to be disclosed in this Item.

## ITEM 4

## BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

## ITEM 5

## INITIAL FEES

**Initial Franchise Fee**

We do not charge an initial franchise fee.

**Initial Training Fee**

We do not charge an initial training fee.

**Products, Equipment, Services, Supplies, and Merchandise**

You must purchase, license, or otherwise obtain certain products, equipment, services, supplies, and merchandise that you need to develop and open your Restaurant from Pro Food Systems. These items include ovens, refrigerated preparation tables, display cases, holding cabinets, signage, menu boards, point of sale materials, ingredients, packaging, and branded products.

The costs may vary and can range from $4,500 on the low end to $130,000 on the high end due to the retailer physical location. The Program is a business within a business as opposed to a stand-alone franchise that has required design buildouts. A store that has a kitchen/deli already in place as well as equipment acceptable to run the Program will incur costs on the low end of the range. Conversely, a store that must

upgrade existing space and/or infrastructure and has no equipment to run the Program will land on the high end of the range.

The payment terms for equipment will vary depending on Pro Food Systems' policies, your creditworthiness, the total cost of the item, and other factors. For planning purposes, you should assume that you must pay 50% of the amount owed when you order the item, and the balance before Pro Food Systems ships the items.

If you are not satisfied with the Program, we will provide you with a 100% money back guarantee for the equipment that you purchase from Pro Food Systems to run the Program. You will have 90 days from the date you open you location to notify us that you would like to execut this Brand Promise; Money Back Guarantee. Upon completing the de-identification requirments we will arrange the pickup of your equipment. You must unhook, disassemble and/or dismantle all equipment and have it located in one convenient area for pickup. Prior to us arranging the return of your equipment, you must pay us freight charges to return the equipment to one of our locations. You will receive your 100% money back guarantee within 21 days upon us receiving your equipment. We reserve the right, in our sole discretion, to discount the money back guarantee if any of the equpment is not operational, missing components or is deemed to be in a condition not consistent with equpment that is 90 days old.

**Refundability**

Other than fees descibed above, or in the case of overpayment or similar error, none of the fees shown in this Item 5 are refundable.

**Variances**

The costs of products, equipment, services, supplies, and merchandise will vary for the reasons we describe above. However, we and our affiliates intend to charge similarly-situated franchisees substantially the same prices for the same items they purchase in substantially the same quantities.

Although we have no present intention of varying the fees and costs, we reserve the right to do so. The factors we would consider in deciding whether to vary the fees may include the value of the area where the franchisee intends to develop Restaurants, the franchisee's qualifications, and other factors. If we grant a variance, we will comply with all notice requirements under negotiated sales statutes and rules.

## ITEM 6

## OTHER FEES

| Column 1<br>Type of Fee(Note 1) | Column 2<br>Amount | Column 3<br>Due Date | Column 4<br>Remarks |
|---|---|---|---|
| Payment Processing Fee Reimbursement | Approximately $0.14 per payment | Within 10 days of request for payment | *See* Note 2 |

| Column 1<br>Type of Fee[Note 1] | Column 2<br>Amount | Column 3<br>Due Date | Column 4<br>Remarks |
|---|---|---|---|
| Collection Charge | The greater of: (i) $100 per delinquent payment; or (ii) our actual costs of collection, plus interest | Within 5 days of request for payment | *See* Note 3<br>You would pay this amount only if we must collect past-due amounts you owe. |
| Reimbursement of Franchise Taxes and Similar Taxes | $0 to $2,500 or more per year per jurisdiction | So that we actually receive reimbursement by the end of 10 days after we request it | *See* Note 4<br>You must reimburse us for any franchise tax or similar tax assessed against, or payable by us, on payments paid passed on the Franchise Agreement. |
| Reimbursement of Relocation Costs | $1,000 to $2,500 or more | So that we actually receive reimbursement by the end of 10 days after we request it | *See* Note 5<br>Payable only if you relocate your Restaurant. |
| Equipment; Supplies; Inventory; Proprietary Products | $500 to $50,000 | As incurred | *See* Note 6 |
| Approval of Suppliers | $25 to $500 for each supplier and item you request that we approve | So that we actually receive reimbursement by the end of 10 days after we request it | Payable only if you request that we approve a supplier or the items a supplier offers. |
| Reporting Services | $2,000 to $5,000 a year | As required by supplier | Our reporting service company converts data from your POS System into reports that help determine the best product mix for your Restaurant, profitability, and other matters.<br>Our current reporting service company is MicroSale. |
| Manager Training | Currently $1,500 | So that we actually receive reimbursement by the end of 10 days after we request it | *See* Note 7<br>Payable only if we determine that you want us to train an unreasonable number of Managers, |
| Additional Training | Currently $50 to $120 an hour | So that we actually receive reimbursement by the end of 10 days after we request it | *See* Note 8<br>We will provide you with any additional training that we believe would benefit the System. |
| Indemnification | Varies under circumstances | So that we actually receive reimbursement by the end of 10 days after we request it | You must reimburse us for losses from claims, damage, or lawsuits related to the Franchise Agreement. |
| Transfer of Franchise | $2,500 | On transfer | *See* Note 9<br>Paid if you assign or transfer, with our written permission, the rights to the Franchise Agreement. |
| Training for Unpreparedness Fee | $3,500 plus the cost of travel | As incurred | If we arrive at your restaurant and find you are unprepared to train and therefore will prevent the restaurant from opening, you must pay us this fee. If the fee does not cover the cost of our travel to your restaurant, we reserve the right to charge you the remaining amount for the travel expenses. |

| Column 1<br>Type of Fee(Note 1) | Column 2<br>Amount | Column 3<br>Due Date | Column 4<br>Remarks |
|---|---|---|---|
| Renovations | Varies under circumstances | As required by supplier | *See* Note 10<br>You would pay this amount to architects, designers, contractors, decorators, and other suppliers, not to us. |
| Reimbursement of Training Costs | $7,500 | If You Terminate: Together with your notice of termination<br>If We Terminate: So that we actually receive payment by the end of 10 days after we request it | Payable only: if you terminate this Agreement anytime within the Initial Term of this Agreement; or (ii) if we terminate this Agreement anytime within the Initial Term of this Agreement due to your breach. |
| De-Identification Fee | $1,000 per day | So that we actually receive it on or before the tenth (10th) day after we demand the payment of such fee. | *See* Note 11<br>You pay these fees only if your store has not been de-identified within seven days after the effective date of termination or expiration. |
| Liquidated Damages (For Breach of Your Obligations on Termination) | $250 to $1,250 per day multiplied by the number of days you are not in compliance with your obligations on termination | On your breach of your obligations on termination of the Franchise Agreement | *See* Note 12<br>Your compliance with your obligations on termination of the Franchise Agreement is within your sole control. |
| Costs and Attorneys' Fees | Varies under circumstances | So that we actually receive reimbursement by the end of 10 days after we request it | You pay these fees only if you breach the Franchise Agreement or if there are other claims related to our relationship. |
| GRITT Summit and Franchise Advisory Meeting | Then current registration fees, plus travel expenses.[6] | Paid to PFS at the time of registration. | *See* Note 13<br>You will send at least one (1) individual to the annual GRITT Summit and Franchise Advisory Meeting. This person should be a decision maker or manager for the Restaurant. |

**Explanatory Notes:**

1. Unless we note otherwise, we impose and collect all fees, and all fees are payable only to us. All fees are nonrefundable except in the case of overpayment or similar error. All fees are uniformly imposed.

There are no Company-owned Restaurants in the System. There are also no cooperatives. As a result, no Company-owned Restaurants have controlling voting power over any fees any cooperative may impose.

You must pay all fees you are required to pay us: (i) in one lump sum; (ii) by automatic debit or in another manner we may direct; (iii) in United States dollars; and (iv) so that we actually receive the payment by the end of the date the payment is due.

2. If banks, credit card companies, or other payment processors charge us a fee for processing any payment you make to us, you must reimburse us for the amount of the fee. The amount of the fee would depend on factors like the type of process used, the size of the payment, and the processor's costs. For planning purposes, you should assume that the amount of the fee would be approximately $0.14 per payment.

3. If you do not pay us an amount you owe so that we actually receive the payment by the end of the date it is due, you must pay us the amount of the payment, plus (i) a collection charge (the "Collection Charge") equal to the greater of $100 per delinquent payment or our actual costs of collection; plus (ii) interest on the overdue amount at the lesser of 18% per annum (the "Contract Rate") or the highest rate then permitted by applicable law (the "Default Rate").

Our actual costs of collection may vary widely depending on a number of factors, like the amount of time we spend collecting the payment, whether we collect it ourselves or send it to a collection agency or attorney, whether you cooperate with us, and other factors. For planning purposes, you should assume that our costs could range from: (i) approximately $100, if we collect the money ourselves, you pay after a brief conference with us, and you cooperate; to (ii) $2,500 or more, or 50% or more of the amount of the debt, if we have a collection agency or an attorney collect the payment, you do not cooperate, and we engage in legal proceedings.

4. If a governmental authority imposes a tax or charge on us or our affiliates related to fees you are obligated to pay us, the transactions between us, or other aspects of our relationship, you must reimburse us for the amount we pay. This requirement does not require you to reimburse us for federal, state, or local income taxes. The amount of the reimbursement would depend on a number of factors, like the governmental authority (federal, state, or local) that imposes the tax or charge, whether one or more governmental authorities impose it, the governmental authorities' need for revenue, and other factors.

5. You must obtain our prior written consent before you relocate the Restaurant. If we allow you to relocate the Restaurant, you must reimburse us for any costs or expenses we may incur related to the relocation. The amount of the reimbursement would depend on a number of factors, like the number of proposed replacement sites we must evaluate, the thoroughness of the information you provide, whether we must send instructors to train your personnel at the relocated Restaurant, and other factors.

6. The System includes items that we have developed, that are proprietary to us, that we keep secret, or that we designate as meeting our requirements. We refer to these items as "Proprietary Products." You must obtain these items only from us, from our affiliates, from suppliers we designate, from suppliers you select and we approve, or in accordance with our written specifications.

The low end of the range assumes that you already own the equipment you will use in the operation of the Restaurant. This equipment includes ovens, refrigerated preparation tables, display cases, holding cabinets, and various other equipment and smallwares. The high range shown assumes that you must purchase these items.

7. We do not charge you a fee to train a reasonable number of your Managers. If we must train an unreasonable number of Managers, you must pay us our then-current fee.

In determining whether the number of Managers you want us to train is reasonable, we may consider: (i) whether you already have the number of Managers that we require; (ii) the volume of business of your Restaurant; (iii) the reliability of your existing Managers; (iv) the skills of your existing Managers; (v) your Manager turnover; and (vi) other factors.

8. We may develop additional training that we believe would benefit the System. We refer to this training as the "Additional Training." If we develop Additional Training, we will charge you a reasonable fee for providing it; however, the fee will not exceed our costs of developing and conducting the Additional Training, including our costs to attend the training.

The price for Additional Training will vary substantially depending on: (i) the expertise the training

requires; (ii) the length of the training; (iii) the place where we provide the training; (iv) the means of delivery (in-person, electronically, or in writing); and (v) other factors.

9. The Transfer Fee is for a transfer of the Franchise. It compensates us for: (i) the expenses we incur related to the transfer, like attorneys' fees and costs for the due diligence we undertake and the documentation we prepare; (ii) training and other initial assistance we provide to the transferee; (iii) losses from sub-optimal efficiencies during the initial stages of the transferee's operation of the Franchised Business; and (iv) other costs, expenses, and losses.

10. It is in your best interests, and in the best interests of our other franchisees and the System, that each Hangar 54 Pizza Restaurant, including your Restaurant, be clean, up-to-date, well-maintained, and well-appointed. Therefore, you must redesign, refurbish, and remodel (collectively, "Renovate") your Restaurant to conform to: (i) our then-current specifications for Hangar 54 Pizza Restaurants; and (ii) our judgment as to the condition, state of repair, and general appearance of your Restaurant compared to the condition, state of repair, and general appearance that we consider desirable.

We will not require you to Renovate your Restaurant more often than one time every five years. We cannot predict, with any degree of accuracy, what your Renovation costs may be. If you must replace your signage, it would include the cost of replacement signage. If you must redecorate the Restaurant and replace your equipment, it would include the costs of redecoration and the equipment you purchase. For planning purposes, you should assume that the costs will range from $1,000 to $25,000. However, if you have more signage than is standard, or if your Restaurant needs substantial Renovations, your costs may be higher.

There is no cap on these amounts: they are dictated entirely by your particular circumstances. Because you have the right to terminate the Franchise Agreement without cause, your decision of whether to Renovate your Restaurant is within your control. If you do not want to Renovate, you may terminate the Franchise Agreement.

11. For example purposes, if your store's signage is not removed until the 15th day after the effective date of termination, the De-Identification Fee will equal $8,000.

12. You must comply with your obligations on termination of the Franchise Agreement. If you do not comply, your noncompliance will dilute the value of the Marks and deprive us of the full value of the System. As a result, if you fail to comply with your obligations on termination of the Franchise Agreement, you must pay us liquidated damages for each day that you are not in compliance.

For most breaches of your obligations on termination, you must pay us $250 per day multiplied by the number of days you are not in compliance.

We may adjust the amount of the liquidated damages shown in this Explanatory Note based on the increase, if any, in the Metropolitan Area Consumer Price Index for All Urban Consumers-All Items, published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index.

The amounts shown in this Explanatory Note would apply only if you breach your obligations on termination of the Franchise Agreement. Your compliance with these obligations is within your sole control.

13. In 2023, the GRITT Summit and the Franchise Advisory Meeting will be held simultaneously. This arrangement will be reviewed on an annual basis and is subject to change.

# ITEM 7

## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Column 1<br>Type of Expenditure[Note 1] | Column 2<br>Amount | | Column 3<br>Method of Payment | Column 4<br>When Due | Column 5<br>To Whom Payment is to Be Made |
|---|---|---|---|---|---|
| | Low | High | | | |
| Architectural and Engineering Fees | $0 | $8,500 | As Arranged | As Arranged | Architects, Engineers |
| Construction, Remodeling, and Site Improvements[Note 2] | $0 | $145,000 | As Arranged | As Arranged | Contractors |
| Furniture, Fixtures, Equipment, Décor, and Signage[Note 3] | $1,500 | $115,000 | As Arranged | As Arranged | Pro Food Systems; Other Suppliers |
| Training Expenses: Wages and Benefit Costs [Note 4] | $1,500 | $5,500 | As Incurred | During Training | Your Employees; Suppliers of Benefits |
| Grand Opening Advertising[Note 5] | $0 | $5,000 | As Incurred | As Arranged | Advertisers |
| Professional Fees[Note 6] | $0 | $5,000 | As Incurred | Before Opening | Attorneys, Accountants |
| Insurance (for One Year)[Note 7] | $0 | $13,000 | As Arranged | Before Opening | Insurers |
| Security Deposits, Utility Deposits, Business Licenses, and Other Prepaid Expenses[Note 8] | $0 | $4,000 | As Arranged | Before Opening | Utilities, Governmental Authorities |
| Opening Inventory | $3,000 | $15,000 | As Incurred | As Arranged | Pro Food Systems; Other Suppliers |
| Project Financing Costs[Note 9] | $0 | $3,000 | As Arranged | As Incurred | Lenders, Brokers, Attorneys |
| Additional Funds – 3 Months[Note 10] | $3,000 | $30,000 | As Incurred | As Incurred | Suppliers, Employees, Tradesmen |
| **Total**[Note 12] | **$9,000** | **$349,000** | | | |

**Explanatory Notes:**

1. Security deposits you pay may be refundable or the supplier may use them to set off amounts you owe, depending on the supplier's policies. Amounts you pay for your supplies and inventory may be refundable, provided the supplies and inventory are in resalable condition, depending on the supplier's policies. For planning purposes, you should assume that none of the expenditures shown are refundable, except in the case of overpayment or similar error.

**Neither we nor any affiliate of ours will finance any part of your initial investment.**

2. The costs to construct your Restaurant will vary widely depending on: (i) the condition of the facility where you develop the Restaurant; (ii) the size and configuration of the space; (iii) pre-construction costs, like the costs to remove walls and existing improvements; (iv) the age of the facility; (v) local building and zoning laws; (vi) permitting fees and costs; (vii) construction and labor costs in your area;

(viii) special charges collected by building inspectors, fire inspectors, police authorities, and other governmental authorities, and by labor unions; and (ix) the cost of materials in your area.

The low range shown in the table assumes that the space is already properly configured and needs no construction. The high range shown assumes that you must construct the interior of your Restaurant from empty shell space in which you have flexibility over the use of the space.

3. You must purchase or lease all furniture, fixtures, equipment, décor, and signage you will need to operate the Restaurant. These items include: (i) an oven (ii) other cooking and holding equipment; (iii) exhaust equipment; (iv) fire suppression equipment; (v) grease removal equipment and other environmental-protection equipment; (vii) freezers and refrigeration equipment; (vii) tables, sinks, shelving, and racks; (ix) cabinets and counters; (x) utensils and smallwares; (xi) interior and exterior signage; (xii) menu boards; (xiii) a computer system and electronic cash register system; (xiv) office supplies; and (xv) other items.

The costs of your furniture, fixtures, equipment, décor, and signage will vary widely depending on the size of your Restaurant, the configuration of your Restaurant, the availability of used items, general economic conditions, your ability to negotiate with the vendor, and other factors. We will provide you with a list of the furniture, fixtures, equipment, décor, and signage you will need to operate your Restaurant.

The low range shown in the table assumes that: (i) you do not have dine-in seating; (ii) you already have a computer system and electronic cash register system in your existing business; (iii) you lease the other equipment that you need; and (iv) you purchase your signage.

The high range assumes that: (i) you have limited dine-in seating; and (ii) you purchase your equipment and signage, including a computer system and electronic cash register system.

4. This amount includes the wage and benefit costs of the personnel who attend our training. These costs will vary depending on the number of personnel you send, the amount you pay them, and the benefits you provide.

5. We do not require you to conduct grand opening advertising. The low range shown in the table assumes that you do not conduct any grand opening advertising. The high range assumes that you conduct limited grand opening advertising.

6. The low range shown in the table assumes that: (i) you do not use an attorney to review the Franchise Agreement or this Disclosure Document, and you do not have any construction contracts to review; (ii) you add your Restaurant to your existing accounting systems; and (iii) your existing accountant processes your payroll and does your bookkeeping as a part of the payroll and bookkeeping for your existing business without payment of any additional fee.

The high range shown assumes that: (i) you engage legal counsel to review the Franchise Agreement, this Disclosure Document, and your construction contracts; (ii) your existing accountant adds your Restaurant to your existing accounting systems for a minimal additional fee; and (iii) your existing accountant processes your payroll and does your bookkeeping as a part of the payroll and bookkeeping for your existing business for a minimal additional fee.

Your legal fees will vary for many reasons, including: (i) whether you conduct lease and other negotiations yourself, or whether you have your counsel do so; (ii) your counsel's skill and experience; (iii) the prevailing rate for attorneys in your area; and (iv) other factors.

7. The low range shown in the table assumes that your Restaurant falls within the coverage your existing policies provide. The high range shown is your estimated annual premium for the insurance described in the table for one full year after you purchase the policies.

8. These costs include deposits for utilities, prepaid expenses, and other miscellaneous deposits and prepaid costs you may incur.

9. Project financing costs will include legal fees, loan fees, interest, and other costs, on any debt you incur to finance the development, opening, and initial operation of your Restaurant. These costs may vary widely depending on the amount you borrow, the length of time between the time you receive disbursements of your loan proceeds and the time you open your Restaurant for business, and other factors.

10. These are estimates of the funds you will need for the typical Restaurant's first three months of operation. The figures include costs of performing background checks, hiring employees, payroll costs, health insurance costs, purchasing miscellaneous products and services, and additional amounts you will spend during the first three months of operation. They do not include any draw or salary by your owners unless they are acting in the capacity of a Restaurant Manager. These amounts may vary widely depending on the number of employees you have, the rates you pay your employees, your costs of insuring your employees, and similar variables.

In compiling the figures for Additional Funds, we relied on the experience of our officers in the development, opening, and operation of Hangar 54 Pizza restaurants.

You should review these estimates carefully with your attorney, accountant, and other business advisors before you make any decision to enter into the Franchise Agreement with us. You should also prepare a set of estimates of your own. Your estimates should accurately account for your particular circumstances.

## ITEM 8

## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

### Your Obligation to Purchase or Lease Items

We and our franchisees have an interest in protecting the quality and integrity of the System. To protect our common interests, we place restrictions on the products and services you purchase, and on the sources from which you purchase them.

No franchisor officer owns an interest in any supplier.

We currently are not, but reserve the right to be so in the future, an approved supplier of the products and services used in the operation of your Restaurant.

Our parent, Pro Food Systems, is an approved supplier; and the only approved supplier of the following Proprietary Products (the "Proprietary Products"): (i) Food Preparation Equipment; (ii) Cooking Equipment; (iii) Hot Food Cases; (iv) Food Inventory; and (v) Branded Packaging.

### Grant and Revocation of Approval of Alternative Suppliers

We do not currently have written criteria for approving suppliers. If we develop written criteria, we will provide you with a copy on your written request.

We do not assert any right to control products and services you offer unless they relate to the Hangar 54 Pizza Products and Services. For example, if you operate a grocery store, we do not control the grocery items you generally stock, including the deli items you offer.

We do not permit you to contract with alternative suppliers to obtain Proprietary Products. We also have the right to control the ingredients you use in connection with the Hangar 54 Pizza Products and Services, the packaging of the Hangar 54 Pizza Products and Services, and similar matters. You must obtain our approval of any alternative supplier of these items, and the products or services it offers, before you use the supplier. To secure our approval: (i) you must submit a written request to us for approval, together with any samples, specifications, and other information we may request; (ii) the proposed supplier must demonstrate to our reasonable satisfaction that it is able to supply the items to you in compliance with our specifications; and (iii) the proposed supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community with respect to its financial soundness and integrity, and the reliability of the items it offers. If you ask us to approve an unreasonable number of alternative suppliers, products, or services, we have the right to require you to reimburse us for our actual costs and expenses of evaluations we perform.

We will give you notice of our approval or disapproval by the end of 30 days after you or the proposed supplier deliver to us the last information we request in connection with the approval.

We may revoke our approval of any supplier, good, or service if we determine, in our exercise of reasonable business judgment, that revocation is in your best interests, our best interests, or the best interests of the System. If we revoke our approval, we will give you written notice of the revocation.

We make our standards and specifications available to our franchisees. We will provide you with a copy of them on your written request. We may disclose them to suppliers you propose using, provided they sign agreements we prepare to protect the confidentiality of our standards and specifications, but we are not required to do so. We have no formal procedures for modifying our standards and specifications; we do so based on our judgment as to how to best serve our franchisees and their customers, and how to enhance profits.

**Revenue or Other Material Consideration from Required Purchases or Leases by Franchisees**

Our affiliate, Pro Food Systems, will sell certain Proprietary Products and/or other approved products to our approved suppliers at wholesale, from whom you may then purchase such Proprietary Products and/or other approved products. The costs of these products and services, to our approved suppliers, and thus the amounts Pro Food Systems receives based on franchisee purchases, will vary depending on: (i) Pro Food Systems' cost of producing or purchasing the product or service; (ii) the costs and difficulties Pro Food Systems' incurs in storing and shipping the item; (iii) competition in the marketplace; (iv) the requirements of applicable law; and (v) other factors. Many products, (such as freezers and refrigeration equipment proteins, cheese, flour and eggs) are commodity based and the prices can fluctuate daily. Pro Food Systems establishes the prices at which it sells products to approved suppliers based on the market price for each product or service as determined by the supply and demand of these products on the commodity-based market. During its fiscal year ended December 31, 2023, Pro Food Systems received revenues of $2,186,585 from approved suppliers for purchases of Proprietary Products and/or other products at wholesale. Based on the terms of an agreement between Pro Food Systems and us, Pro Food Systems pays us a fee, on a quarterly basis, equal to one half percent (.5%) of the total of all purchases and leases by our franchisees from the approved suppliers for Proprietary Products and/or other products. During our fiscal year ended December 31, 2023, we did not receive any fees from the terms of this agreement.

We may also require you to purchase or lease products and services from other third parties. We and our

affiliates may enter into arrangements with these third parties under which we and our affiliates receive revenue or other material benefit, like rebates, discounts, and allowances, as a result of consideration you or any of our other franchisees pay to those third parties. As of the issuance date of this document, we have not entered into any of these types of arrangements with third parties and we have not otherwise derived any revenue from any other third party based on purchases by our franchisees.

Your required purchases and leases, which include purchases and leases of products and services from Pro Food Systems, and purchases and leases of products and services in accordance with our specifications, will represent approximately 25% to 80% of your total purchases and leases of products and services to establish your Franchised Business and approximately 55% to 80% of your total purchases and leases of products and services to operate your Franchised Business.

Your computer hardware and software include the following:

| | |
|---|---|
| • Electronic Cash Register | • Back Office System |
| • Office Computer | • WIFI Network Controller |
| • Office Management System<br>  • Point of sale system<br>  • People Counter Device | |

You are required to obtain the following insurance coverages:

| Type of Coverage | Amount |
|---|---|
| Commercial General Liability | $1 million per occurrence and $2 million in the aggregate |
| Automobile Liability, for Owned, Non-Owned, and Hired Vehicles | $1 million per claim, including bodily injury and property damage |
| Workers' Compensation and Employer's Liability | $500,000 per accident<br>$500,000 disease per employee with a policy limit of $500,000 in the aggregate |
| Unemployment Compensation, Disability, Social Security, and other insurance required by law | As prescribed by law |

**Benefits We Provide Based on Your Purchases**

We will offer you an addendum to the Franchise Agreement (the "Special Terms and Conditions Addendum"). There are two levels of this addendum: (i) the Gold Level; and (ii) the Silver Level. The two forms of addenda are attached to this Disclosure Document as Exhibit B.

The addenda provide you with material benefits based on your purchases of particular products or services from us or our affiliates. We refer to these products or services as the "Branded Products."

We provide you with benefits of the "MDF Program."

1. MDF Program. "MDF" stands for "Marketing Development Fund." Under the MDF Program, we will accrue a portion of your net purchases of Branded Products and will reimburse you for a portion of your expenditures for advertising you publish.

MDF Program

Under the MDF Program, we have established an advertising fund. We refer to this fund as the "Accrual Fund." We deposit a percentage of your net purchases of Branded Products into the Accrual Fund. The percentage we deposit depends on whether you enter into a Gold Addendum or Silver Addendum, as follows:

| **MDF PROGRAM: REIMBURSEMENT OF ADVERTISING EXPENDITURES** | |
|---|---|
| **Level:** | **Percentage of Your Net Purchases of Branded Products We Will Deposit Into the Accrual Fund:** |
| Gold | 4.0% |
| Silver | 2.5% |

To be eligible for reimbursement from the Accrual Fund, the advertising must be "Qualified Advertising." "Qualified Advertising" is advertising in broadcast, print, or electronic media, or any other advertising material or signage we approve for reimbursement with MDF Program funds, that: (i) you submit to us in the manner we specify for our approval before you purchase it or publish it; and (ii) we approve in writing.

To receive a reimbursement from the Accrual Fund, you would submit a claim to us within 90 days after the Qualified Advertising was published. We refer to the claim as an "Advertising Claim." If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount of the balance we are holding for you in the Accrual Fund (the "Balance"). We may also pay the amount of the Advertising Claim directly to the supplier of advertising.

We want you to advertise regularly. To give you an incentive to advertise regularly, any portion of your Balance in the Accrual Fund that is over one Program Year old will be removed from the Balance.

To be eligible to receive the reimbursements, you and your affiliates must be in compliance with all agreements with us and our affiliates.

All amounts that we accrue are ours until we actually use them to pay an Advertising Claim.

**General Matters**

Currently, we have no purchasing or distribution cooperatives for the System.

We negotiate purchase arrangements with our affiliates and some of the other suppliers we designate, including price terms, for the benefit of franchisees.

## ITEM 9

## FRANCHISEE'S OBLIGATIONS

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

| Obligation | Section in Agreement(Note 1) | Disclosure Document Item |
|---|---|---|
| a. Site selection and acquisition/lease | Section 4 | Item 11 |
| b. Pre-opening purchases/leases | Section 7 | Items 5 and 8 |
| c. Site development and other pre-opening requirements | Sections 4, 5, 7 | Item 11 |
| d. Initial and ongoing training | Section 5 | Items 6, 7, and 11 |
| e. Opening | Section 4.e | Item 5 |
| f. Fees | Sections 3, 5.a, 5.b, 12.a, 16.c.v | Items 1, 5, and 7 |
| g. Compliance with standards and policies/operating manual | Recital B; Sections 6.a, 6.c, 9.a, 9.f | Items 8, 11, and 16 |
| h. Trademarks and proprietary information | Recitals A, B; Sections 8, 17.c | Items 13 and 14 |
| i. Restrictions on products/services offered | Recital B; Sections 7, 8.b, 9.c<br>Gold Addendum: Section 5-<br>Silver Addendum: Section 4- | Items 8 and 16 |
| j. Warranty and customer service requirements | Not Applicable | Item 11 |
| k. Territorial development and sales quotas | Section 4c<br>Gold Addendum: Section 2 | Item 12 |
| l. Ongoing product/service purchases | Section 7 | Items 6 and 8 |
| m. Maintenance, appearance, and remodeling requirements | Sections 9.b, 9.f | Item 12 |
| n. Insurance | Section 12.b | Items 6 and 7 |
| o. Advertising | Section 6<br>Gold Addendum: Section 3<br>Silver Addendum: Section 3 | Items 6, 7, 8, and 11 |
| p. Indemnification | Section 12.a | Item 6 |
| q. Owner's participation/management/staffing | Not Applicable | Item 15 |
| r. Records and reports | Section 11<br>Gold Addendum: Section 5.5 | Item 6 |

| Obligation | Section in Agreement[(Note 1)] | Disclosure Document Item |
|---|---|---|
| s. Inspections and audits | Section 10 | Item 6 |
| t. Transfer | Section 13 | Items 6 and 17 |
| u. Renewal | Section 2 | Item 9 |
| v. Post-termination obligations | Section 15 | Item 9 |
| w. Non-competition covenants | Gold Addendum: Section 5.1.2 | Item 9 |
| | Silver Addendum: Section 4.1.2 | |
| | Section 15 | |
| x. Dispute resolution | Section 16.c | Item 17 |
| | Gold Addendum: Section 7.2 | |
| | Silver Addendum: Section 5.2 | |
| y. Other | | |
| Signage | Gold Addendum: Section 4.2 | Item 9 |
| | Silver Addendum: Section 3.2 | |
| Breakfast Program | Gold Addendum: Section 4.3 | Item 9 |
| | Silver Addendum: Section 3.3 | |
| Point of Sale ("POS") System | Gold Addendum: Section 5.4 | Item 9 |
| Equipment | Gold Addendum: Section 5.6 | Items 9 and 11 |
| Test Marketing | Gold Addendum: Section 4.5 | Item 9 |

**Explanatory Note 1:**

All references are to the Franchise Agreement unless otherwise noted.

## ITEM 10

## FINANCING

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

We do not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing. We do not receive direct or indirect payments for placing financing.

# ITEM 11

## FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

**Except** as **listed below, Hangar 54 Pizza is not required to provide you with any assistance.**

**Pre-Opening Obligations**

Before you open your Restaurant:

1. We will review the proposed site for the Restaurant. We refer to the site where you propose to develop your Restaurant as the "Proposed Site." Because you will operate your Restaurant within an existing business of yours, we do not provide you with any assistance in locating a site or negotiating the purchase or lease of the site. You will have the Proposed Site before you sign the Franchise Agreement. We will evaluate your Proposed Site before we enter into the Franchise Agreement with you. If we do not approve of the site, we will not enter into the Franchise Agreement. (Franchise Agreement, Section 4.a)

2. We refer to the location we approve as the "Approved Location." We will show the Approved Location on Schedule A of the Franchise Agreement before you sign it. (Franchise Agreement, Section 4.b)

3. You are solely responsible for conforming the premises of the Restaurant to all ordinances and building codes. We will not have any responsibility related to conforming the premises of the Restaurant to any ordinances or building codes. (Franchise Agreement, Section 4.a)

4. You are solely responsible for promptly seeking and obtaining all governmental and other approvals, consents, permits, and licenses required to open and operate the Restaurant and to offer for sale and sell the Products and Services. You must use your best efforts to obtain all required approvals, consents, permits, and licenses. We will not have any responsibility related to these required approvals, consents, permits, and licenses. (Franchise Agreement, Section 9.a)

5. Provide you, on loan, with one copy of our Operations Manual. *See* "Operations Manual," below in this Item 11; *see also*: i) Item 14 of this Disclosure Document; and ii) the Table of Contents of the Operations Manual, and the number of pages devoted to each subject and the total number of pages, shown in Exhibit G to this Disclosure Document.

7. Provide you with our Manager Training. ((Franchise Agreement, Section 5.a). *See* "Hiring and Training Employees" and "Training," below in this Item 11.

8. Provide you with our Opening Assistance. (Franchise Agreement, Section 5.b) See "Training," below in this Item 11.

**Locating the Site; Negotiating the Purchase or Lease of the Site**

We refer to the site where you propose to develop your Restaurant as the "Proposed Site." Because you will operate your Restaurant within an existing business of yours, you will have the Proposed Site before you sign the Franchise Agreement. We will evaluate your Proposed Site before we enter into the Franchise Agreement with you. If you do not have a site we approve, we will not enter into the Franchise Agreement.

We must approve the Proposed Site. We refer to the location we approve as the "Approved Location." We

will show the Approved Location on Schedule A of the Franchise Agreement before you sign it. (Franchise Agreement, Section 4.1).

We do not provide you with any assistance in locating a site or negotiating the purchase or lease of the site. We do not generally own the premises and lease it to you.

**Conforming Premises to Local Ordinances and Building Codes; Obtaining Required Permits**

You are solely responsible for conforming the premises of the Restaurant to all ordinances and building codes. We will not have any responsibility related to conforming the premises of the Restaurant to any ordinances or building codes. (Franchise Agreement, Section 4).

You are solely responsible for promptly seeking and obtaining all governmental and other approvals, consents, permits, and licenses required to open and operate the Restaurant and to offer for sale and sell the Products and Services. You must use your best efforts to obtain all required approvals, consents, permits, and licenses. We will not have any responsibility related to these required approvals, consents, permits, and licenses. (Franchise Agreement, Section 9).

**Constructing, Remodeling, and Decorating Your Restaurant**

You must promptly make all site improvements and install the furniture, fixtures, equipment, décor, and signage that we require at the Restaurant, at your sole cost and expense.

You must lease or purchase, install, use, and maintain all furniture, fixtures, equipment, décor, and signage related to the Restaurant, at your sole cost and expense.

We will consult with you regarding the design, construction, remodeling, equipping, and decorating of the Restaurant; however, it is your sole responsibility to design, construct, remodel, equip, decorate, ready, and open the Restaurant in compliance with the Franchise Agreement and the Operations Manual. (Franchise Agreement, Section 4).

We will not be responsible for any loss from the design, construction, remodeling, refurbishment, renovation, or equipping of the Restaurant.

**Hiring and Training Employees**

You must hire the employees that are required for the operation of your Franchised Business, and you must train and properly supervise all of your employees.

We will provide you with assistance with your Manager Training and opening your Store. We may have a corporate trainer (the "Corporate Trainer") provide you with opening assistance. (Franchise Agreement, Section 5.ii).

**Furniture, Fixtures, Equipment, Décor, and Signage; Opening Inventory and Supplies**

We will provide you with standards and specifications for furniture, fixtures, equipment, décor, and signage. If we require you to use approved suppliers for these items, we will provide you with the names of the approved suppliers. We will provide this information in writing, in the Operations Manual or in other materials we provide. You will have the sole responsibility for obtaining and installing all furniture, fixtures, equipment, décor, and signage. We do not provide you with furniture, fixtures, equipment, décor, or signage directly. We do not deliver or install these items. (Franchise Agreement, Sections 4, 3, 7).

We will provide you with standards and specifications for opening inventory and supplies. If we require you to use approved suppliers for these items, we will provide you with the names of the approved suppliers. We will provide this information in writing, in the Operations Manual or in other materials we provide. You will have the sole responsibility for stocking the Restaurant with opening inventory and supplies. We do not provide you with opening inventory and supplies directly. We do not deliver or install these items. (Franchise Agreement, Section 7).

**Time for Opening Your Restaurant**

You and we will agree on the opening date of your Restaurant before you sign the Franchise Agreement. We refer to this date as your "Opening Date." You may open the Restaurant once we have completed a check-off sheet showing that you are ready and able to offer for sale and sell the Products and Services under the System at the Restaurant. (Franchise Agreement, Section 4.e).

A franchisee will typically open a Restaurant one to four (4) months after the Effective Date of the Franchise Agreement. The factors that may affect this time period include the time required to: (i) obtain any required building permits; (ii) build out and decorate the Restaurant; and (iii) order and install furniture, fixtures, equipment, décor, and signage at the Restaurant.

If you have not opened the Restaurant by the end of the Opening Date, we will have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 14.).

**Obligations During Operation of Franchise**

During the operation of your Franchise:

1. We will permit you to develop an Internet site.

2. We will permit you to develop a site on Facebook and similar social network services (collectively, the "Social Media Sites").

3. We will grant you access to advertising and promotional programs and material we or our designated advertising agency may develop for the System.

4. We will allow your additional or replacement Managers to attend Manager Training.

5. We will provide you with any additional training that we believe would benefit the System.

6. We will defend the Marks and bear all costs of this defense

7. We will provide you with access to the products and services we may offer.

8. We will evaluate suppliers you propose to use and the products, equipment, services, supplies, or merchandise they offer.

9. Subject to applicable state law, recommend minimum and maximum prices for products and services at your outlet.

**Advertising Programs**

**Grand Opening Advertising**

We do not require you to conduct grand opening advertising. (No specific reference in Franchise Agreement)

**Local Advertising Requirement**

We do not require you to conduct local advertising.

**Regional Advertising Cooperative**

We do not require you to participate in any regional advertising cooperative.

**National Advertising**

We do not collect any national advertising fee. We do not require you to participate in any national advertising fund.

We do not have any obligation to conduct advertising.

**Internet Advertising**

We will list your Restaurant on any Internet site we maintain that lists franchised or Company-owned Restaurants operating under the System to the same extent as we list these other Restaurants generally.

You may create an Internet site (your "Internet Site") for the Restaurant. Your Internet Site must hyperlink off one or more Internet sites that we designate. You must use and publish all templates and forms we direct you to use and publish in connection with the Internet Site. You must submit to us all text, graphics, photographs, and other material (collectively, the "Internet Content") you propose to use on your Internet Site, including all material modifications to the Internet Content, before you use it. We have the right to: (i) approve, disapprove, and modify the Internet Content; (ii) format, upload, or hyperlink your Internet Site to any other Internet site related to the System that we designate; and (iii) modify, use, print, publish, display, store, and transmit the Internet Content, and to authorize third parties to modify, use, print, publish, display, store, and transmit the Internet Content.

**Social Media Advertising**

You may establish sites on Facebook and other social media and social network services. We refer to your sites on these media and services as your "Social Media Sites." We have the right to: (i) disapprove or to require you to modify the text, graphics, photographs, and other material (collectively, the "Social Media Content") on any Social Media Site; (ii) hyperlink your Social Media Sites to any other Internet site related to the System that we designate; and (iii) modify, use, print, publish, display, store, and transmit any of the Social Media Content, and to authorize third parties to modify, use, print, publish, display, store, and transmit any of the Social Media Content, subject to the requirements of the social network service that hosts the applicable Social Media Site. You must keep us advised at all times of your Social Media Sites' addresses and domain names.

We have the sole ownership, right, title, and interest in and to the Social Media Content of all Social Media Sites, subject to the requirements of the social network service that hosts the applicable Social Media Site.

We have the sole ownership, right, title, and interest in and to all domain names related to the Social Media Sites, subject to the requirements of the social network service that hosts the applicable Social Media Site.

The Social Media Content on each Social Media Site must meet the standards of propriety that we prescribe. Your Social Media Sites and Social Media Content must comply with our rules, guidelines, standards, specifications, plans, programs, and procedures. You must monitor the Social Media Content on each Social Media Site. You must remove any inappropriate Social Media Content so that the removal is fully completed immediately on our demand, or within 12 hours after the inappropriate Social Media Content is posted on the Social Media Site, whichever is earlier.

**Access to Advertising**

We will grant you access to standard advertising and promotional programs and material we or our designated advertising agency may develop for the System. You will receive, at no additional charge, all advertising and promotional programs and materials produced for the System for radio, television, or print media. These items include ad slicks, circulars, direct mail pieces, broad sheets, newsletters, and brochures. You must pay the hard costs associated with these items, like the cost of purchasing media, film, plates, paper, and other hard costs, and any shipping and handling charges for delivering the items to you. You must also pay all costs of customizing the programs or materials, and of having them published in the media.

**Control Over Advertising**

You may use only: (i) advertising and promotional materials that we have provided to you; or (ii) your own advertising and promotional materials that we have approved in writing in advance. (Franchise Agreement, Section 6).

If you want to use advertising and promotional materials that we have provided to you, you must give us a description of the media in which you propose to use them for our approval before you use them. We will have 10 days in which to approve or disapprove the use of the materials in the media you propose. If we have not disapproved the use of the materials in the media you propose by the end of this 10-day period, they will be deemed approved.

If you want to use your own advertising and promotional materials, you must give us a copy of the advertising and promotional materials, together with a description of the media in which you propose to use them, for our approval before you use them. We will have 10 days in which to approve or disapprove the materials and their use in the media you propose. If we have not disapproved the use of the materials in the media you propose by the end of this 10-day period, they will be deemed approved.

You may not: (i) issue any press release or similar promotion related to the Restaurant, the Franchised Business, or the System unless we expressly approve the release or promotion in writing in advance; (ii) conduct any advertising or promotional activities that fall outside our guidelines; or (iii) advertise the Restaurant with any business that is not operated under the Franchise Agreement or some other Hangar 54 Pizza franchise agreement, without our prior written consent. (Franchise Agreement, Section 6).

All advertising materials we prepare or provide are protected by copyright and are our exclusive property.

**Advertising Council**

We do not have an advertising council composed of franchisees that advises us on advertising policies.

**Electronic Cash Register System; Computer System**

We may require you to buy and use the electronic cash register system and computer system that meets our requirements. However, the systems in your existing business may meet our requirements. (No specific

reference in Franchise Agreement; Gold Addendum, Section 5).

You will use your electronic cash register system: (i) to record your sales transactions; (ii) to print bar code labels and other labels; (iii) to prepare daily sales reports and similar periodic reports; (iv) to provide us with other reports, documents, and data that we may specify; and (v) to perform other functions that we may specify. (Exhibit B-1, Gold Addendum, Section 5).

You will use your computer system: (i) for interactive training; (ii) for purchasing and inventory control; (iii) for accounting and bookkeeping; (iv) for scheduling; (v) for Internet communication and email; and (vi) for other functions that we may specify.

Your electronic cash register system and computer system will consist of a point of sale system (a "POS") and a back-office system (a "BOS"). We do not currently require you to use any specific POS or BOS. Your POS system must comply with the Payment Applications Best Practices ("PABP") standards or the successor standards to the PABP. You must connect it to the Internet using an always-on access method, like a T-1 line, cable, or DSL. Our specifications may change, and you must upgrade to equipment that meets our specifications as we direct. You should ask us for a list of our current specifications before you sign the Franchise Agreement. The current purchase price of POS and BOS systems that meet our specifications ranges from $5,000 and $20,000. (No specific reference in Franchise Agreement.) You must enter, generate, and store in your electronic cash register system and computer system the data and information we prescribe. This data and information will include: (i) sales records; (ii) product mix and sales performance data; (iii) inventory records; (iv) accounting and bookkeeping records; (v) training materials; (vi) schedules; (vii) Internet communications; and (viii) other data and information we specify. You must use the reporting services we require. The fees for these services range from $2,000 to $5,000 per year.

Neither we nor any affiliate of ours has any obligation to provide ongoing maintenance, repairs, upgrades, updates to your hardware or software. We do not currently require you to enter into agreements with third parties to provide ongoing maintenance, repairs, upgrades, or updates to your hardware or software, although we may do so in the future.

You must keep your electronic cash register system and computer system in good maintenance and repair. You must upgrade and update your electronic cash register system and computer system on notice from us. We may require you: (i) to add additional capacity, accessories, and peripheral equipment to your systems; and (ii) to upgrade or replace your systems, at your sole cost and expense. The cost to comply with these obligations could be as low as $500 or may be as high as $25,000. We do not intend to require you to upgrade and update your systems more often than one time every five years; however, there is no contractual limitation on the frequency or cost of these obligations.

If you elect, at your option, to enter into maintenance, updating, upgrading, or support contracts, or if we require you to enter into these contracts, your costs should range from $250 to $5,000 per year. Your actual costs will vary depending on the price and quality of the components of your systems, the level of deductibles you select, and other factors. ‘

If we substitute one or more software programs for any software we specify, you must, by the end of 30 days after we give you notice to do so, at your sole cost and expense: (i) stop all use of the software being replaced; (ii) preserve all data from the software being replaced; (iii) obtain and install the substitute software on your computer as we may direct; (iv) import, to the substitute software, relevant data from the software being replaced; and (v) begin using the substitute software.

We will not have independent access to the information that will be generated or stored in your electronic

cash register system and computer system.

**Renovations**

"Renovation" refers to the periodic large-scale refurbishment and remodeling of your Restaurant. It includes the replacement of worn, obsolete, or non-functioning furniture, fixtures, equipment, décor, and signage. (Franchise Agreement, Section 9.f).

It is in your best interests, and in the best interests of our other franchisees and the System, that each Hangar 54 Pizza Restaurant, including your Restaurant, be clean, up-to-date, well-maintained, and well-appointed. Therefore, you must, at our request, Renovate your Restaurant to conform to: (i) our then-current specifications for Hangar 54 Pizza Restaurants; and (ii) our judgment as to the condition, state of repair, functionality, and general appearance of your Restaurant and its furnishings, fixtures, equipment, décor, and signage compared to the condition, state of repair, functionality, and general appearance that we consider desirable. This Renovation will be at your sole cost and expense. Our right to require you to Renovate does not affect our right to require you to maintain the Restaurant in compliance with the Franchise Agreement, our Operations Manual, and our standards and specifications, or your obligation to do so. (Franchise Agreement, Section 9.f).

We will not require you to Renovate your Restaurant more often than one time every five years. (Franchise Agreement, Section 9.f).

You must finish all Renovations so that they are completed by the end of six months after we deliver notice to you that we are requiring you to make the Renovations.

**Test Marketing**

We may conduct market research and testing to determine consumer trends and the marketability of new products, equipment, services, supplies, and merchandise. We refer to these items, collectively, as the "Test Products." You must assist us with this market research and testing by participating in any programs as we may require. (No specific reference in Franchise Agreement; Gold Addendum, Section 4).

**Operations Manual**

We loan you during the term of the Franchise Agreement one copy of an Operations Manual, which may consist of one or more handbooks or manuals and other written, video or audio materials (collectively the "Operations Manual"). The Operations Manual contains mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your Franchised Business and information relative to your other obligations. We have the right to modify the Operations Manual to reflect changes in products, services, specifications, standards and operating procedures, including marketing techniques. No addition or modification may alter your fundamental status and rights. You must keep one copy of the Operations Manual current and the master copy of the Operations Manual we maintain at our principal office controls if there is a dispute relative to the contents of the Operations Manual (Franchise Agreement, Section 9, Paragraph E).

The Table of Contents of the Operations Manual as of the date of this Disclosure Document, and the number of pages devoted to each subject, as Exhibit G to this Disclosure Document. The Operations Manual contains a total of 216 pages as of the date of this Disclosure Document.

**Training**

We will provide you with our Hangar 54 Pizza Manager Training. (Franchise Agreement, Section 5).

Your Managers must attend, and successfully complete, to our satisfaction, Manager Training. Hangar 54 Pizza Manager training must be completed 2-4 weeks prior to opening your franchised outlet.

Our Manager Training as of the date of this Disclosure Document is as follows:

**TRAINING PROGRAM**

**MANAGER TRAINING**(Note 1)

| Column 1<br>Subject | Column 2<br>Hours of Classroom Training | Column 3<br>Hours of On-the-Job Training(Note 2) | Column 4<br>Location |
|---|---|---|---|
| Orientation | 0 | 1.0 | Your Restaurant |
| Planning, Leading, Organizing, Controlling, Managing, Staffing, and Training | 0 | 1.5 | Your Restaurant |
| Equipment | 0 | 0.5 | Your Restaurant |
| Back-of-House Training | 0 | 1.5 | Your Restaurant |
| Kitchen Management Training | 0 | 3.0 | Your Restaurant |
| Front-of-House Training | 0 | 1.0 | Your Restaurant |
| Service Management Training | 0 | 0.5 | Your Restaurant |
| Inventory Control | 0 | 1.5 | Your Restaurant |
| Shift Management Training | 0 | 0.5 | Your Restaurant |
| Training Overview; Questions and Answers | 0 | 0.5 | Your Restaurant |

**Explanatory Notes**:

1. Your "Managers" are the individuals who exercise actual control over the Restaurant.

2. The actual hours of training will vary depending on a number of factors, like the number of Managers in the training class, their experience, and their strengths and needs.

We will conduct training classes on an as-needed basis.

Our instructional materials consist of our Operations Manual, hands-on training and coaching, and discussions.

The experience of our instructors is as follows:

| Name of Instructor | Years of Experience Instructor Has in Subject Instructor is Teaching | Years of Experience Instructor has with our Affiliate, Pro Food Systems |
|---|---|---|
| Tim Sullivan | 11 | 11 |
| Dwight Stiles | 11 | 11 |
| Tim Huntington | 10 | 10 |
| Craig Mulcahy | 9 | 9 |
| Joanne Cavender | 1 | 1 |
| Katie Degn | 1 | 1 |

1. The instructors are employees of our affiliate, Pro Food Systems.

**Explanatory Notes:**

We may also use instructors who are independent contractors.

We do not charge you any fee for training a reasonable number of Managers. We do not require you to reimburse us for the travel, food, lodging, wage, and benefit costs we incur in training a reasonable number of Managers. If we determine that you want us to train an unreasonable number of Managers, we may charge you a reasonable fee to train the additional Managers. We will list our current price for Manager Training in the Operations Manual. (Franchise Agreement, Section 5).

Our current price for training additional Managers is $1,500.

In determining whether the number of Managers you want us to train is reasonable, we may consider: (i) whether you already have the number of Managers that we require; (ii) the volume of business of your Restaurant; (iii) the reliability of your existing Managers; (iv) the skills of your existing Managers; (v) your Manager turnover; and (vi) other factors.

Opening Assistance

At no additional cost to you, we will furnish a representative (the "Retail Growth Advisor") to your Restaurant. The Retail Growth Advisor will provide you with advice related to developing and opening your Restaurant.

At no additional cost to you, we may, at our discretion, provide you with a trainer (the "Corporate Trainer") to assist in the opening process.

You must staff the Restaurant with your employees to train with, and to assist, the Retail Growth Advisor and Corporate Trainer.

Additional Training

If you are a business entity, we refer to certain persons as "Principals." A "Principal" is: (i) a natural person who owns or holds any equity in you; (ii) a business entity that owns or holds any equity in you; (iii) any natural person who owns or holds any equity of any business entity that owns or holds any equity in you;

and (iv) other natural persons or business entities that we may designate. An equity holder will be deemed to "own" equity whether the ownership is direct, indirect, or beneficial.

We may develop additional training that we believe would benefit the System. We refer to this training as "Additional Training." If we develop Additional Training, we may designate the training as "optional" or "mandatory." If we designate Additional Training as mandatory, you and those of your Principals, Managers, and other personnel we specify must attend and complete the training to our satisfaction, at the times we specify. We reserve the right to charge a reasonable fee for Additional Training; however, the fee will not exceed our costs of developing and conducting the Additional Training, including our costs related to attending the training.

For planning purposes, you should assume that our costs for Additional Training will range from $25 to $500. However, they will depend on several factors, like: (i) the place where we conduct the Additional Training (e.g., at our headquarters, at a Hangar 54 Pizza Restaurant near your Restaurant, or at a central location); (ii) the number of attendees who participate in the Additional Training and who share its costs; and (iii) whether we must engage a specialist to provide the Additional Training. As a result, our costs could be higher. They will be based on the hourly rate described in Item 6. We have not yet developed any Additional Training, so we cannot predict with any degree of accuracy where we would conduct it or its content. We do not expect to conduct it more often than once a year; however, if the demands of the market or other factors require us to conduct it more often, we may do so.

Because we have not developed any Additional Training, no franchisees have enrolled in any non-mandatory training during the preceding 12 months.

Miscellaneous

You must pay all expenses you and your designated attendees incur related to attending any training we conduct. These expenses may include, but will not be limited to, your attendees' travel, food, lodging, wage, benefit, and other costs and expenses.

Except for the Opening Assistance, we will determine the location, duration, and program of any training we conduct.

We will not pay any compensation for any services you or your attendees perform in the course of any training.

We may train any number of attendees from any number of Restaurants at any training we conduct, at the same time as we train your attendees. We may train attendees from other systems we or our affiliates may develop, at the same time as we train your attendees.

You are responsible for scheduling appropriate training for yourself and your Principals, Managers, and other employees we designate, and for ensuring that you and they successfully complete the training.

## ITEM 12

## TERRITORY

The Franchise Agreement grants you the right to operate a HANGAR 54 PIZZA™ Restaurant at a single location that you select and we approve. Once a location for the Restaurant is approved by us, it will be listed in Schedule A to the Franchise Agreement. If you sign the Gold Addendum, your Territory will consist of either (a) a one-mile radius around your Restaurant, or (b) a smaller territory determined by us ,

at our sole discretion, if your Restaurant is located in a heavily populated area. If you sign the Silver Addendum, your Territory will consist of the outside shell of your Restaurant and we will not grant you any territorial protection outside of the shell of your Restaurant.

**Scope of Territorial Rights**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We reserve the right to (a) establish HANGAR 54 PIZZA™ Restaurant independent locations that sell and deliver the same products and services that you provide within your Territory and (b) sell and deliver competing products and services through "alternative channels of distribution" such as through Internet and catalog sales, toll-free telephone or any similar form of electronic commerce, telemarketing, other direct-marketing techniques, and to conduct advertisements and sales through other distribution channels both inside and outside your Territory. The HANGAR 54 PIZZA™ Restaurant independent locations may include those at free standing locations and those located within shopping centers and shopping malls, as well as mobile locations such as food trucks and trailers.

We will not develop, open, or operate, and will not authorize a third party to develop, open, or operate, a Hangar 54 Pizza Restaurant in a BWB Location using the System in your Territory.

You may solicit business inside or outside your Territory and serve customers who reside outside your Territory. There are no restrictions on your right to do so. We, our affiliates, and our and their franchisees and licensees may solicit business inside or outside your Territory and serve customers who reside inside your Territory. There is no restriction on our or their right to do so. You will not be entitled to any compensation for orders solicited or accepted within your Territory.

You may not offer for sale, sell, or deliver the Products and Services, or any products or services similar to the Products and Services, through any alternative distribution channel, including Internet, catalog sales, telemarking or other direct marketing to make sales outside your territory.

Our affiliate, Pro Food Systems authorizes outlets to use the "Cooper's Express®" trademarks (Cooper's Express Licensees"). The Cooper's Express Licensees operate outlets that are generally located within an existing business and offer and sell products and services that are similar to the Products and Services you will offer. Cooper's Express Licensees may solicit and/or accept orders within your Territory.

We do not, and do not plan to, operate or franchise businesses under a different trademark that will sell similar goods or services to those of the franchisee.

**Continuation of Territorial Rights; Modification of Territorial Rights**

The continuation of your rights to the Territory does not depend on your achievement of any certain sales volume, market penetration, or other contingency. We will not alter the size of your Territory or modify your rights to the Territory if the population of your Territory increases or decreases. We may not modify your Territorial rights except as you and we may mutually agree.

**Relocation of Restaurant**

You may relocate the Restaurant with our prior written consent. To obtain our consent, you must: (i) comply with the procedures shown in Item 11 of this Disclosure Document under the heading "Locating the Site; Negotiating the Purchase or Lease of the Site," and with other criteria we may establish; (ii) close your old Restaurant and open your relocated Restaurant substantially simultaneously so that there is no

break in operations; and (iii) enter into our then-current form of relocation agreement. The relocation agreement will show the terms of the relocation.

If we approve a new location, the new location will be deemed to be the "Approved Location" as we use that term in the Franchise Agreement and this Disclosure Document. Any relocation of your Restaurant will be at your sole cost and expense. You must reimburse us for any costs or expenses we incur related to any relocation, like costs and expenses we incur in evaluating your replacement site, and costs and expenses we incur in connection with the relocation agreement.

**Establishment of Additional Restaurants: Options, Rights of First Refusal, or Similar Rights**

You do not have any options, rights of first refusal, or similar rights to develop additional Restaurants.

## ITEM 13

## TRADEMARKS

The principal trademarks we license you to use are shown in the table below.

Our affiliate Pro Food Systems owns the Marks. Pro Food Systems has filed for registration the following Marks on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

| MARK | REGISTRATION NO. | REGISTRATION FILED | REGISTER |
|---|---|---|---|
| HANGAR 54 PIZZA | 6732690 | May 24, 2022 | Principal |
| | 6732864 | May 24, 2022 | Principal |
| | 6714299 | April 26, 2022 | Principal |

Pro Food Systems has filed all required affidavits. No registration has been renewed. When it is time to renew a registration, Pro Food Systems expects to renew it if the System is still using the Mark.

**Legal Proceedings**

There are no currently-effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, that limit your right to use any Mark. There is no pending infringement, opposition, or cancellation proceeding involving any Mark. Neither Pro Food Systems nor we have unsuccessfully sought to prevent registration of a trademark in order to protect a trademark we license.

There is no pending material federal or state court litigation regarding Pro Food Systems' or our use or ownership rights in any Mark.

**Trademark License Agreement**

We and Pro Food Systems entered into a Trademark and System License Agreement. We refer to this agreement as the "Trademark License Agreement."

The Trademark License Agreement grants us the formal contractual right to use, and to authorize others to use, the Marks worldwide. It affects you because it grants us the right to license the Marks to you.

The Trademark License Agreement is dated December 2, 2020. It has a 20-year initial term. Unless we are in uncured material breach of the Trademark License Agreement, it will automatically renew for successive terms of 10 years each, unless the parties elect not to renew it.

Pro Food Systems may terminate the Trademark License Agreement if we are in material breach and the breach is not cured within 30 days. The Trademark License Agreement may be canceled or modified at any time on the written consent of both parties. We do not intend to cancel the Trademark License Agreement, and Pro Food Systems has not indicated any desire to do so. If Pro Food Systems terminates the Trademark License Agreement, or if Pro Food Systems and we mutually agree to cancel the Trademark License Agreement, you may continue to use the Marks during the term of your Franchise Agreement.

Except for the terms shown above, the Trademark License Agreement does not contain any material terms relevant to the franchise.

There are currently no other agreements in effect that significantly limit our rights to use or to license the use of the Marks in any manner material to the franchise.

**Defense of Marks**

We must defend the principal Marks and your right to use them. We will bear all costs of this defense. You must cooperate fully with us in the defense of the Marks. If you have provided this notice and cooperation, we must indemnify you against, and reimburse you for, all direct damages (but not damages for loss of future revenue and consequential, special, multiplied, enhanced, exemplary, or punitive damages) and expenses you incur: (i) due to any infringement or unfair competition claim any third party brings against you that arises out of your proper use of the Marks; and (ii) if you are a party to an administrative or judicial proceeding involving a Mark we license you to use, whether the proceeding is resolved favorably or unfavorably to you.

You must notify us promptly in writing of any use of, or any claim of rights to, any mark identical to, or confusingly similar to, any Mark. We are not required to take affirmative action when you notify us of these uses or claims, but we expect to do so if it is in the best interests of the System.

We have the right to control any administrative proceeding or litigation involving any Mark we license you to use. We have sole discretion over the protection and defense of any Mark and the settlement of any administrative proceeding or litigation related to any Mark. You may not take any action with regard to this protection or defense, and you may not initiate any suit or proceeding related to the System, without our prior express written consent.

**Modifications to Marks; Discontinuance; Signage Reimbursement**

We will have the right at any time, on notice to you, to make additions to, deletions from, and changes to the Marks in our absolute discretion. You must adopt and use any and all of these additions, deletions, and changes as we direct, at your sole cost and expense. However, we will not change the primary name of the System from "Hangar 54 Pizza" or require you to change your approved Hangar 54 Pizza signage to some other primary name for a period of two years after the Effective Date of the Franchise Agreement unless we reimburse you for the cost of converting your approved Hangar 54 Pizza signage to signage using the other primary name.

If we are required to reimburse you for a signage change, we will reimburse you for the actual cost to obtain replacement signage from signage suppliers we designate; however, this reimbursement will be limited to: (i) $2,000 per Restaurant; and (ii) $6,000 in the aggregate. We refer to this reimbursement as the "Signage Reimbursement."

We will not be liable to you or any other party for any loss, expense, liability, damage, or damages, however characterized, and whether actual, consequential, incidental, special, multiplied, enhanced, exemplary, or punitive, for any of these additions to, deletions from, or changes to the Marks; including loss of profits, earnings, revenue, business, or expectancies, except for the Signage Reimbursement.

**Prior Rights; Infringing Uses**

We do not know of any superior prior rights or infringing uses that could materially affect your use of our principal Marks in any state where the Franchised Business will be located.

## ITEM 14

## PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights that are material to the franchise. There are no pending patent applications that are material to the franchise.

We own the rights to the Products and Services. We claim common law rights and copyright protection in the Products and Services, as well as a number of other items you will use in the operation of your Franchised Business, including our Operations Manual and other materials and information related to the System. These other items include our marketing materials; our methods for offering for sale, selling, and delivering the Products and Services; our methods for operating your Franchised Business; and our specifications, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use. We have not registered any of these copyrighted materials with the United States Registrar of Copyrights, although we may do so.

There are no current material determinations of the USPTO, the United States Copyright Office, or any court regarding any of our copyrights. There are no material proceedings pending in the USPTO or any court.

There are no agreements that limit our right to use or license you to use any of our copyrighted material in any manner material to your Franchised Business.

We do not have any obligation to protect any copyright. We may defend our copyrights when it is in the best interests of the System to do so. You are not required to notify us of any infringement claims. We are not required to defend or indemnify you against claims arising from your use of any items in which we claim copyright protection. We are not required to take any affirmative action if we are notified of any infringement. We have the exclusive right to control any copyright litigation. We are not required to

participate in your defense or to indemnify you for expenses or damages in any proceeding involving a copyright we license to you.

We will have the right at any time, on notice, to make additions to, deletions from, and changes in any item in which we claim copyright protection. You must adopt and use all additions, deletions, and changes as we direct, at your expense.

We do not know of any patent or copyright infringement that could materially affect the franchise.

We claim proprietary rights in information that we designate as "Confidential Information" and "Trade Secrets." "Confidential Information" is information that we disclose to you that we designate as confidential, or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Examples of Confidential Information are the Operations Manual and the information in it, and our training programs and the material in them. "Trade Secrets" are items that derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who may obtain economic value from their disclosure or use. Examples of Trade Secrets include all customer lists, the contact information of customers, and our recipes.

You may use the Confidential Information and Trade Secrets during the Term of the Franchise Agreement. You must maintain the confidentiality of our Confidential Information and secrecy of our Trade Secrets, during and after the Term. You may not use this information in any other business or in any manner that we do not approve in writing, and you may not communicate, divulge, or otherwise display this information to anyone other than your personnel who have a need to know of it in order to operate your Franchised Business.

We have the right to take legal action against you if there has been an unauthorized use of our Confidential Information or Trade Secrets through you. In addition, misuse or unauthorized disclosure of our Confidential Information or Trade Secrets is a breach of the Franchise Agreement.

## ITEM 15

## OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

**Your Obligations**

We refer to your general managers, assistant general managers, and other individuals who manage the overall operation of the Restaurant as your "Managers."

If you are a business entity, you must participate personally in the direct operation of the Franchised Business, and you must exercise on-premises supervision of your Restaurant, through your Managers. Your Principals may be Managers, although we do not require this. We recommend that your Principals be Managers and that they exercise on-premises supervision of your Franchised Business and Restaurant.

If you are an individual, you may participate personally in the direct operation of the Franchised Business, and you may exercise on-premises supervision of your Restaurant, although we do not require you to do so. If you do not do so yourself, you must appoint one or more Managers who participate personally in the direct operation of the Franchised Business and exercise on-premises supervision of your Restaurant. You may be a Manager, although we do not require this. We recommend that you be a Manager and that you exercise on-premises supervision of your Franchised Business and Restaurant.

If your spouse is not a party to the agreements, then your spouse does not have to personally guarantee your performatnce unt the agreements.

**Your Manager**

You must conduct any background investigations, aptitude screenings, and other screenings as we may prescribe, on each prospective Manager. The prospective Manager must pass these investigations and screenings.

Your Managers are required to attend, and complete successfully, Manager Training.

Each Manager must: (i) devote the amount of time and effort required to manage the Restaurant in compliance with the Franchise Agreement and our requirements; (ii) have day-to-day management responsibility for your Restaurant; and (iii) personally participate in the direct operation of the Restaurant.

You must cause your Managers to maintain the confidentiality of our Confidential Information and the secrecy of our Trade Secrets.

We do not require your Managers to have any equity interest in you.

Except as shown above, we do not require you to place restrictions on your Manager.

## ITEM 16

## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

**Restrictions or Conditions on Products and services that You May Sell**

The System is a comprehensive system for the establishment, operation, and promotion of Hangar 54 Pizza Restaurants. We and our franchisees have an interest in ensuring the proper marketing and promotion of the Products and Services, and in protecting the quality and integrity of the System. We expect to change the System, and our franchisees expect us to change it, to respond to changes in the marketplace, economic conditions, business conditions, the hospitality profession, the law, the demands of consumers, our business needs, the needs of the System, and otherwise.

We do not assert any right to control products and services you offer, with two exceptions: (i) you must offer for sale all Hangar 54 Pizza Products and Services that we direct you to offer; and (ii) you may not offer for sale any products, equipment, services, supplies, or merchandise that are substantially the same as the Hangar 54 Pizza Products and Services, or that we have directed you not to offer. We may add to, delete from, and modify the list of Products and Services as we deem appropriate. There is no limitation on our right to do so.

**Restrictions or Conditions that Limit Your Access to Customers**

You must operate your Restaurant at and from the Approved Location, unless we agree, in writing, to allow you to operate an outlet at or from another location.

We do not impose any other restrictions or conditions on you that limit your access to customers.

## ITEM 17

## RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

| Provision | Section in Franchise or Other Agreement | Summary |
|---|---|---|
| a. Length of the franchise term | Franchise Agreement: Section 2 | Continues in effect until either party terminates. |
| | Gold Addendum: Section 5.1 | 5 years |
| | Silver Addendum: Section 4.1 | 3 years |
| b. Renewal or extension of the term | Franchise Agreement: None | No renewal because Franchise Agreement continues in effect until either party terminates. |
| | Gold Addendum: Section 5.1 | Automatically renews for consecutive 5-year terms unless one party notifies the other that it will not renew. |
| | Silver Addendum: Section 4.1 | Automatically renews for consecutive 3-year terms unless one party notifies the other that it will not renew. |
| c. Requirements for franchisee to renew or extend | None | When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract. |
| d. Termination by franchisee | Franchise Agreement: Section 14.a | You may terminate on 60 days' written notice, subject to state law. |
| | Gold Addendum: Section 5.1 | You may seek termination upon any grounds available by state law. |
| | Silver Addendum: Section 4.1 | You may seek termination upon any grounds available by state law. |
| e. Termination by franchisor without cause | None | The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve. |
| f. Termination by franchisor with cause | Franchise Agreement: Section 14.b | We may terminate if you commit: (i) any one of several listed breaches; or (ii) any other breach of the Franchise Agreement. |
| g. "Cause" defined – curable defaults | Franchise Agreement: Section 14.b | 10 days to cure if you commit any breach of the Franchise Agreement not specifically enumerated in Section 14.2.1 of the Franchise Agreement. |
| h. "Cause" defined – non-curable defaults | Franchise Agreement: Section 14.b | No opportunity to cure if: (i) you do not allow us to inspect your Restaurant, or if you do not provide us with all assistance we may request in the course of any inspection; or (ii) you commit any breach of the Franchise Agreement that is not susceptible of cure. |
| i. Franchisee's obligations on termination/ nonrenewal | Franchise Agreement: Section 15 | You must: (i) cease all use of the System; (ii) pay us all money you owe; (iii) return all Confidential Information; (iv) allow us to purchase the assets of your former Restaurants; and (v) comply with our then-current de-identification requirements. |

| Provision | Section in Franchise or Other Agreement | Summary |
|---|---|---|
| j. Assignment of contract by franchisor | None | We may assign any or all of our rights and may delegate any or all of our obligations. We are not required to obtain your consent to any assignment or delegation. After any assignment, you must deliver to the assignee performance of all rights that we assigned. After any delegation, you must look solely to the delegatee, and not to us, for the performance of all obligations that we delegated. We may also, without your consent, transfer the ownership in us, and may engage in a public offering of equity. |
| k. "Transfer" by franchisee – defined | None | "Transfer" means the sale, assignment, delegation, transfer, conveyance, gift, pledge, mortgage, encumbrance, or hypothecation of any "Interest." An "Interest" is: (i) any direct, indirect, or beneficial interest in you, or of any Principal in you, the Franchised Business, the Franchise Agreement, the Franchise, any Approved Location, any Restaurant, or substantially all of the assets of the Franchised Business; and (ii) you, the Franchised Business, the Franchise Agreement, the Franchise, any Approved Location, or any Restaurant. |
| l. Franchisor approval of transfer by franchisee | Franchise Agreement: Section 13 | We have the right to withhold our consent to a Transfer of any Interest. We will not unreasonably withhold our consent. |
| m. Conditions for franchisor approval of transfer | None | The conditions for Transfer are: (i) you must obtain our written consent prior to the transfer; (i) the transferee and its equity holders must meet our Principal Qualifications; (ii) you must satisfy all monetary and other obligation with us (iii) at all times during the Term, you must have been in substantial compliance with all agreements and the Operations Manual; (iv) at the time of Transfer, you must be in compliance with all agreements; (v) you, Principals, transferor, and transferee must sign our then-current form of transfer agreement; (vi) if the Transfer is a Transfer of you, all or substantially all of your assets, any Restaurant, all or substantially all of the assets of any Restaurant, the Franchised Business, all or substantially all of the assets of the Franchised Business, or the Franchise, the transferee must enter into our then-current form of franchise agreement, which may contain provisions that differ materially from the provisions of your Franchise Agreement; (vii) the transferee must agree to Renovate the Restaurant; (viii) the transferee and, if applicable, the transferee's Managers, must complete any training programs then in effect for new franchisees; and (ix) the transferor or transferee must reimburse us for all costs and expenses we incur in connection with the Transfer.<br><br>In the event of transfer of ownership of your store, you must notify our affiliate, Pro Food Systems, Inc. ("PFS") of such sale. You must satisfy all monetary and other obligations with PFS within 10 days of the closing of the sale. |
| n. Franchisor's right of first refusal to acquire franchisee's business | None | Not applicable. We do not have a right of first refusal to acquire your Franchised Business. |

| Provision | Section in Franchise or Other Agreement | Summary |
|---|---|---|
| o. Franchisor's option to purchase franchisee's business | None | Not applicable. We do not have an option to purchase your Franchised Business. |
| p. Death or disability of franchisee | None | The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six months to a replacement franchisee that we approve. |
| q. Non-competition covenants during the term of the franchise | None | You and your Principals and Managers may not divert any business from the Restaurant, the Franchised Business, the System, or other systems we or our affiliates may operate. |
| r. Non-competition covenants after the franchise is terminated or expires | None | Not applicable. We do not prohibit you from competing with us after your Franchise Agreement terminates. |
| s. Modification of the agreement | None | No modification without your and our written agreement, but we may change the Operations Manual and modify the System without your consent. |
| t. Integration/merger clause | Franchise Agreement: Section 17. a<br>Gold Addendum: Section 6.1<br>Silver Addendum: Section 5.1 | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations will be binding representations or promises will be binding. Nothing in the Franchise Agreement or in any related written agreement is intended to disclaim representations made in the franchise disclosure document. |
| u. Dispute resolution by arbitration or mediation | Franchise Agreement: Section 16.c<br>Gold Addendum: Section 6.2<br>Silver Addendum: Section 5.2 | All disputes must be resolved exclusively by litigation. |
| v. Choice of forum | Franchise Agreement: Section 16.c<br>Gold Addendum: Section 6.2<br>Silver Addendum: Section 5.2 | All litigation must take place in a federal or state court having jurisdiction over the subject matter in the place where our principal business office is located, subject to state law. Our principal business office is currently located in Holts Summit, Missouri. This provision is subject to state law. |
| w. Choice of law | Franchise Agreement: Section 16c<br>Gold Addendum: Section 6.2<br>Silver Addendum: Section 5.2 | Delaware law applies, subject to state law. |

## ITEM 18

## PUBLIC FIGURES

We do not provide or promise any compensation or other benefit to any public figure arising from the use of the public figure in the franchise name or symbol, or for the public figure's endorsement or recommendation of the franchise to prospective franchisees. No public figure is involved in our management or control. No public figure has any investment in us.

## ITEM 19

## FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Shawn Burcham at Hangar 54 Pizza Franchising, LLC, 170 Commerce Drive, Holts Summit, Missouri 65043, (573) 896-2500, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20

## OUTLETS AND FRANCHISEE INFORMATION

### TABLE NO. 1
### SYSTEMWIDE OUTLET SUMMARY
### FOR YEARS 2021 TO 2023

| Column 1<br>Outlet Type | Column 2<br>Year | Column 3<br>Outlets at the Start of the Year | Column 4<br>Outlets at the End of the Year | Column 5<br>Net Change |
|---|---|---|---|---|
| Franchised | 2021 | 0 | 45 | +45 |
| | 2022 | 45 | 103 | +58 |
| | 2023 | 103 | 127 | +24 |
| Company-Owned | 2021 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | +1 |
| | 2023 | 1 | 1 | 0 |
| Total Outlets | 2021 | 0 | 45 | +45 |
| | 2022 | 45 | 104 | +59 |
| | 2023 | 104 | 128 | +24 |

### TABLE NO. 2
### TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
### FOR YEARS 2021 TO 2023

| Column 1<br><br>State | Column 2<br><br>Year | Column 3<br><br>Number of Transfers |
|---|---|---|
| Georgia | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 0 |
| Minnesota | 2021 | 0 |
| | 2022 | 8 |
| | 2023 | 0 |
| Oregon | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 1 |
| Texas | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 0 |
| Total | 2021 | 0 |
| | 2022 | 10 |
| | 2023 | 1 |

**TABLE NO. 3**
**STATUS OF FRANCHISED OUTLETS**
**FOR YEARS 2021 TO 2023**

| Col. 1<br><br>State | Col. 2<br><br>Year | Col. 3<br><br>Outlets at Start of Year | Col. 4<br><br>Outlets Opened | Col. 5<br><br>Terminations | Col. 6<br><br>Non-Renewals | Col. 7<br><br>Reacquired by Franchisor | Col. 8<br><br>Ceased Operations-Other | Col. 9<br><br>Outlets at End of the |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Arkansas | 2021 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 3 | 0 | 0 | 0 | 1 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Colorado | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Georgia | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| Idaho | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| Iowa | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 3 | 0 | 0 | 0 | 0 | 5 |

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets at Start of Year | Col. 4<br>Outlets Opened | Col. 5<br>Terminations | Col. 6<br>Non-Renewals | Col. 7<br>Reacquired by Franchisor | Col. 8<br>Ceased Operations-Other | Col. 9<br>Outlets at End of the |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Illinois | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Kansas | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 2 | 0 | 0 | 0 | 0 | 5 |
| Kentucky | 2021 | 0 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2022 | 8 | 7 | 0 | 0 | 0 | 0 | 15 |
| | 2023 | 15 | 6 | 0 | 0 | 0 | 0 | 21 |
| Louisiana | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Minnesota | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 10 | 0 | 0 | 0 | 0 | 12 |
| | 2023 | 12 | 1 | 0 | 0 | 0 | 0 | 13 |
| Missouri | 2021 | 0 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2022 | 13 | 6 | 0 | 0 | 0 | 3 | 16 |
| | 2023 | 16 | 0 | 0 | 0 | 0 | 2 | 14 |
| Montana | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Nebraska | 2021 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| North Carolina | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| North Dakota | 2021 | 0 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 4 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 3 | 0 | 0 | 0 | 4 | 7 |
| Ohio | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 3 | 0 | 0 | 0 | 0 | 5 |
| Oklahoma | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 1 | 0 | 0 | 0 | 1 | 4 |
| Oregon | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets at Start of Year | Col. 4<br>Outlets Opened | Col. 5<br>Terminations | Col. 6<br>Non-Renewals | Col. 7<br>Reacquired by Franchisor | Col. 8<br>Ceased Operations-Other | Col. 9<br>Outlets at End of the |
|---|---|---|---|---|---|---|---|---|
| Pennsylvania | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| South Dakota | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 2 | 0 | 0 | 0 | 0 | 3 |
| Tennessee | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 1 | 3 |
| Texas | 2021 | 0 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 8 | 0 | 0 | 0 | 1 | 11 |
| | 2023 | 11 | 7 | 0 | 0 | 0 | 0 | 18 |
| Virginia | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| West Virginia | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Wisconsin | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Wyoming | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Totals | 2021 | 0 | 45 | 0 | 0 | 0 | 0 | 45 |
| | 2022 | 45 | 63 | 0 | 0 | 0 | 5 | 103 |
| | 2023 | 103 | 33 | 0 | 0 | 0 | 9 | 127 |

**TABLE NO. 4**
**STATUS OF COMPANY-OWNED OUTLETS**
**FOR YEARS 2021 TO 2023**

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets at Start of the Year | Col. 4<br>Outlets Opened | Col. 5<br>Outlets Reacquired from Franchisee | Col. 6<br>Outlets Closed | Col. 7<br>Outlets Sold to Franchisee | Col. 8<br>Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| Missouri | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |
| Totals | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 1 |

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets at Start of the Year | Col. 4<br>Outlets Opened | Col. 5<br>Outlets Reacquired from Franchisee | Col. 6<br>Outlets Closed | Col. 7<br>Outlets Sold to Franchisee | Col. 8<br>Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |

**TABLE NO. 5**
**PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

| | Col. 2<br>Franchise Agreement Signed but Outlet not Opened | Col. 3<br>Projected New Franchised outlets in the next Fiscal Year | Col. 4<br>Projected New Company Owned Outlets Next Fiscal Year |
|---|---|---|---|
| Alabama | 1 | 1 | 0 |
| Colorado | 0 | 1 | 0 |
| Georgia | 0 | 1 | 0 |
| Idaho | 0 | 1 | 0 |
| Illinois | 0 | 2 | 0 |
| Kentucky | 1 | 3 | 0 |
| Louisiana | 0 | 1 | 0 |
| Minnesota | 1 | 3 | 0 |
| Mississippi | 0 | 1 | 0 |
| Missouri | 1 | 2 | 0 |
| Montana | 1 | 3 | 0 |
| Nebraska | 0 | 3 | 0 |
| North Carolina | 0 | 1 | 0 |
| North Dakota | 0 | 1 | 0 |
| Ohio | 0 | 1 | 0 |
| Oklahoma | 0 | 5 | 0 |
| Oregon | 1 | 1 | 0 |
| South Dakota | 1 | 2 | 0 |
| Tennessee | 0 | 1 | 0 |
| Texas | 5 | 9 | 0 |
| Utah | 0 | 2 | 0 |
| Virginia | 2 | 3 | 0 |
| Washington | 2 | 3 | 0 |
| West Virginia | 1 | 2 | 0 |
| Wyoming | 0 | 1 | 0 |
| **TOTALS** | 17 | 54 | 0 |

**Notes:**

1. The above tables encompass only the Business within a Business locations. There are no free-standing locations as of the date of this disclosure document.

2. Attached to this Disclosure Document as Exhibit F is a listing of the names of all current franchisees and the address and telephone number of each of their Restaurants.

Listed below are the franchisees who have signed a franchise agreement but were not yet operational as of the end of our last fiscal year end: None.

Listed below are the franchisees who have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date: None.

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We do not know of any trademark-specific franchisee organization associated with the System.

## ITEM 21

## FINANCIAL STATEMENTS

Exhibit E contains the audited financials as of December 31, 2021, December 31, 2022 and December 31, 2023.

No affiliate guaranties to assume our duties and obligations under the Franchise Agreement. No parent commits to perform our post-sale obligations or guaranties our obligations.

Our fiscal year ends on December 31.

## ITEM 22

## CONTRACTS

The following are all proposed agreements regarding the franchise offering:

| Agreement: | Attached As: |
|---|---|
| Hangar 54 Pizza™ Franchise Agreement | Exhibit A to Disclosure Document |
| State Law Addendum | Schedule C to Franchise Agreement |
| Gold and Silver Addenda to Franchise Agreement | Exhibit B to Disclosure Document |
| Form of Release, Estoppel, Covenant Not to Sue, Indemnification | Exhibit H to Disclosure Document |
| Hangar 54 Pizza Acknowledgment Statement | Exhibit I to Disclosure Document |
| Disclosure Document Receipts | Exhibit J to Disclosure Document |

## ITEM 23
## RECEIPTS

The last two pages of this Disclosure Document (Exhibit J) are detachable Receipts acknowledging that you received this Disclosure Document. You must sign and date each Receipt. If you are missing these Receipts, please contact us at this address or telephone number:

Attention: Shawn Burcham
Hangar 54 Pizza Franchising, LLC
120 Commerce Drive
Holts Summit, Missouri 65043
(573) 896-2500

# EXHIBIT A

## HANGAR 54 PIZZA FRANCHISING, LLC

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## HANGAR 54 PIZZA™ FRANCHISE AGREEMENT

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**Hangar 54 Pizza Franchising, LLC**
**A Delaware Limited Liability Company**
**120 Commerce Drive**
**Holts Summit, Missouri 65043**
**(573) 896-2500**
**sjb@pfsbrands.com**
**https://hangar54.pizza/**

# HANGAR 54 PIZZA FRANCHISE AGREEMENT
## FOR BUSINESS WITHIN-A-BUSINESS LOCATIONS

THIS AGREEMENT (the "Agreement") is made and entered into on _____ (the "Effective Date"), by and between HANGAR 54 PIZZA FRANCHISING, LLC, a Delaware limited liability company ("we," "us," or "our"), and _____ ("you" or "your"), for the Hangar 54 Pizza outlet at the address shown on Attachment 1 to this Agreement (the "Restaurant(s)").

## RECITALS

A. We own the right to use, and to license others to use, the trademark "HANGAR 54 Pizza™" and trademarks, trade names, service marks, logotypes, trade dress, and other commercial symbols related to the trademark "HANGAR 54 PIZZA" (collectively, the "Marks").

B. We have acquired and have further developed a unique concept and system for the development, opening, and operation of restaurant(s)s that sell a line of food, *beverages*, merchandise, and miscellaneous items we designate (collectively, the "Products and Services"), using: (i) our rules, guidelines, standards, specifications, plans, programs, and procedures (collectively, our "Standards and Specifications"); (ii) our designs, business formats, training, expertise, know-how, and confidential information; (iii) our recipes; and (iv) our advertising and promotional materials (all of which, together with the Marks, are referred to collectively in this Agreement as the "System"), all of which System is subject to change, improvement, and further development by us.

C. You are a skilled and experienced business professional. You have an existing retail outlet (your "Store(s)"), or you are developing one. You have applied to us for a franchise to use the System to operate the Restaurant(s) in the Store(s), and we want to grant you a franchise to use the System to operate the Restaurant(s) in the Store(s).

You and we hereby agree as follows:

1. **Grant of Franchise**. We hereby grant to you, and you hereby accept from us, a franchise (the "Franchise") to develop, open, and operate the Restaurant(s) in compliance with this Agreement.

2. **Term**. This Agreement will commence on the Effective Date and will continue in effect until either party terminates this Agreement as set forth in this Agreement.

3. **Fees**.

    a. Initial Fee. You are not required to pay an initial franchise fee in relation to this Agreement.
    b. Royalty. You are not required to pay a continuing royalty in relation to this Agreement.

4. **Development of Restaurant(s); Territory.**

    a. Proposed Site. We will review the proposed site for the Restaurant(s). We will evaluate, and if suitable, we will approve your Proposed Site or your Proposed Site plans before we enter into the Franchise Agreement with you.
    b. Approved Location. You will develop and operate the Restaurant(s) only at the address shown on Attachment 1 to this Agreement, in the Store(s).

c. Territory. Your territory ("Territory") will consist of the shell of the Store(s). Inside your Territory, we will not operate, and we will not authorize others to operate, restaurant(s)s using the System. Outside your Territory, we may operate, and we may authorize others to operate, restaurant(s)s using the System at any location, even if they compete with you.
d. Site Improvements. You will make the site improvements and install the furniture, fixtures, equipment, décor, and signage at the Restaurant(s) that we require. We will consult with you regarding the design, construction, remodeling, equipping, and decorating of the Restaurant(s); provided, however, it will be your sole responsibility to design, construct, remodel, equip, decorate, ready, and open the Restaurant(s) in compliance with this Agreement.
e. Opening Date. You will open the Restaurant(s) for regular business operations within six months of the Effective date of this Agreement.

5. **Training and Assistance**.

a. Managers; Manager Training. You will appoint one or more individuals to exercise overall control over the Restaurant(s) (such individuals being referred to as the "Managers"). We will provide you with our training for Managers (the "Manager Training"). Your Managers must attend, and successfully complete Manager Training. We will not charge you any fee for training a reasonable number of Managers at your Store(s). If we train an unreasonable number of Managers, we may require you to pay us a fee for the training and to reimburse us for our costs and expenses of providing such training.
b. Opening Assistance.
    i. Retail Growth Advisor. We will furnish a representative (the "Advisor") to your Restaurant(s). The Retail Growth Advisor will provide you with advice related to developing and opening your Restaurant(s). We will not charge you any fee for the Retail Growth Advisor.
    ii. Corporate Trainer. We may, at our discretion, provide you with a trainer (the "Corporate Trainer") to assist in the opening process. We will not charge you any fee for the Corporate Trainer.
    iii. Your Staffing. You will staff the Restaurant(s) with your employees to train with the Retail Growth Advisor and Corporate Trainer.
    iv. Training Charges for Unpreparedness. If we arrive at your Restaurant and find you are unprepared to train or prevent the Restaurant from opening, you must pay us a minimum of Three Thousand Five Hundred Dollars ($3,500). If Three Thousand Five Hundred Dollars ($3,500) does not cover the travel expenses of the training team, we reserve the right to charge the actual travel expenses incurred.
c. Continuing Assistance. We will provide ongoing assistance at, our sole discretion, to help you better operate your store (collectively, the "Assistance").

6. **Advertising; Press Releases and Promotions**.

a. If We Provided Advertising. You may use advertising materials that we have provided to you. Such use must comply with this Agreement and our Standards and Specifications.
b. If We Have Not Provided Advertising. If you want to use advertising materials that we have not provided to you, you must submit the advertising materials to us for our approval before you use them. We will have ten (10) days in which to approve or disapprove the materials. If we have not approved or disapproved the use of the materials by the end of ten (10) days after we receive them, they will be deemed approved.
c. Press Releases; Promotions; Compliance. You may not: (i) issue any press release or similar promotion related to the Restaurant(s) unless we expressly approve the press release or promotion in writing in advance; or (ii) conduct any advertising or promotional activities that fall outside our Standards and Specifications.

7. **Products, Equipment, Services, Supplies, and Merchandise**.

a. Sources. You must purchase, license, or otherwise obtain all products, equipment, services, supplies, and merchandise that we specify only from us, from our affiliates, from suppliers we designate, or from suppliers you select and we approve.
b. Right to Receive Revenue, Profits, and Other Benefits. You acknowledge and agree that: (i) we and our affiliates may enter into agreements with third parties, pursuant to which we and our affiliates may derive revenue, profits, and other benefits, such as rebates, discounts, and allowances, as a result of purchases we require you to make from such third parties; and (ii) we may require you to purchase products, equipment, services, supplies, and merchandise from us and our affiliates, and that we and our affiliates may derive revenue, profits, and other benefits from purchases we require you to make from us and such affiliates.

8. **Use of Marks; Limitation on Use of Marks**.

a. Use of Marks. You agree that you will: (i) use and display the Marks only in relation to the operation of the Restaurant(s); and (ii) use and display the Marks only in the form, manner, and locations that we approve or direct.

b. Limitations on Use of Marks. You agree that unless we expressly authorize you to do so in writing, you will not: (i) use or display the Marks in relation to any business or activity other than the operation of the Restaurant(s); (ii) use any trademark, trade name, service mark, logotype, other commercial symbol, or trade dress, other than the Marks, as a primary identifier of the Restaurant(s); (iii) offer the Products and Services, or any other products, equipment, services, supplies, or merchandise, under the Marks, except as set forth in this Agreement; (iv) use or display the Marks except in the form, manner, and locations that we specifically approve or direct; (v) use or register any Mark, any part of any Mark, or anything similar, as part of your name or the name of any entity related to your activities; (vi) use or register any Mark, any part of any Mark, or anything similar, as a part of any Internet domain name, social media site name, user name, or like name; (vii) use any Mark in any manner that may injure or disparage us or our reputation; or (viii) take any action that may harm or jeopardize any Mark, or our ownership of such Mark, in any way.

9. **Your Obligations**.

a. Compliance with Laws. You must develop, open, and operate the Restaurant(s) in compliance with all applicable constitutions, statutes, rules, regulations, ordinances, and case law (collectively, the "Laws").

b. Compliance with Agreement, Operations Manual, and Standards and Specifications. You must develop, open, and operate your Restaurant(s) in compliance with this Agreement, our Operations Manual, and our Standards and Specifications.

c. Products and Services. You must offer for sale all Products and Services that we direct you to offer. You must use reasonable commercial efforts to sell all Products and Services that we direct you to offer. We list our current Products and Services on Attachment 2 to this Agreement. We may add to, delete from, and modify such list and the Products and Services on it from time to time. We may not require you to offer all Products and Services at the Restaurant(s). You may not offer for sale any products, equipment, services, supplies, or merchandise that: (i) are substantially the same as the Hangar 54 Pizza Products and Services; or (ii) we have directed you not to offer.

d. If you breach any provision of Section 10 ("Inspections") of this Agreement, and fail to cure such breach within seven (7) days of receipt of the certified notice, this will result in One Hundred and No/100 Dollars ($100) PER DAY fee. You shall pay us the fee on or before the tenth (10th) day after we demand the payment of such fee.

e. Payment. You must pay all amounts you owe us, our affiliates, and your other suppliers within their required credit terms.

f. Confidentiality. "Confidential Information" means any information that we disclose to you that we designate as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. All of the following shall conclusively be deemed to be "Confidential Information" whether or not we designate them as such: (i) all information that we have marked or designated as confidential; (ii) our Operations Manual, together with all similar directives and documentation; (iii) our training programs and the material contained in them; (iv) our Standards and Specifications; (v) our cost information; and (vi) all other information that we provide to you in confidence.

i. You agree that: (i) we own the Confidential Information; and (ii) the Confidential Information shall remain our sole and exclusive property.

ii. You will: (i) hold all Confidential Information in confidence; (ii) not use, discuss, communicate, or transmit to others, or make any unauthorized copy of or use Confidential Information in any capacity, position, or business except the Restaurant(s) franchised under this Agreement or a Restaurant(s) franchised under some other Hangar 54 Pizza franchise agreement; (iii) take all reasonable action that we specify to prevent unauthorized use or disclosure of the Confidential Information, and to protect our interests in the Confidential Information; and (iv) at all times use your best efforts to prevent unauthorized copying or disclosure of any and all Confidential Information.

g. Renovation. You must renovate the Restaurant(s), and renovate or replace the Restaurant(s)'s furniture, fixtures, equipment, décor, and signage, from time to time as we direct, at your sole cost and expense, to conform the Restaurant(s) to: (i) our then-current Standards and Specifications; and (ii) our judgment as to the condition, state of repair, functionality, and general appearance of your Restaurant(s), furniture, fixtures, equipment, décor, and signage compared to the condition, state of repair, functionality, and general appearance that we consider desirable.

h. GRITT Summit and Franchise Advisory Meeting Attendance. You will send at least one (1) individual to the annual GRITT Summit and Franchise Advisory Meeting. This person should be a decision maker or manager for the Restaurant. You will pay the registration fees and travel expenses associated with attending these

events.

10. **Inspections**. You agree that: (i) we may, at any time the Restaurant(s) is required to be or is in fact open for business, without notice, enter onto the premises of the Restaurant(s) to determine your compliance with this Agreement; (ii) we may examine, inspect, and photograph, and videotape all areas and aspects of the Restaurant(s); and (iii) you and your personnel will provide us with all assistance we may request in the course of any such inspection.

11. **Reports, Documents, and Data; Use of Information**.

    a. Reports, Documents, and Data.
        i. We may request that you provide us with continuing and other reports, documents, and data related to the Restaurant(s). If we request such items, you will prepare and deliver the items we requested to us so that we actually receive them by end of the date we specify.
        ii. We may request that suppliers provide us with reports, documents, and data related to your purchases. You hereby authorize such suppliers to prepare and deliver the items we may request.
    b. Use of Information. You hereby authorize us to incorporate: (i) in our franchise disclosure documents; (ii) in bulletins, reports, and other memoranda; and (iii) in any advertising and promotional materials, information we derive from the reports, documents, and data you or your suppliers are required to provide to us.

12. **Indemnification and Insurance**.

    a. Indemnification. You will, at your sole cost and expense, defend, indemnify, and hold harmless us and our affiliates, and our and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Indemnitees"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages (actual, consequential, multiplied, enhanced, exemplary, punitive, and otherwise), expenses, costs, liability, and liabilities, of any nature or kind, including without limitation attorneys' fees and costs (collectively, the "Losses"), arising out of or related to any action, suit, proceeding, claim, demand, or investigation (collectively, the "Claims"), arising out of or related to: (i) this Agreement; (ii) the Restaurant(s); or (iii) the business relationship between you and us (collectively, your "Indemnification Obligations").
    b. Insurance. You will obtain and maintain, at your sole cost and expense, the insurance policies and coverages we require, in forms and through insurance companies satisfactory to us.

13. **Transfer**.

    a. The Franchise granted under this Agreement is granted to you only. You may not, without our prior express written consent, transfer, assign, subfranchise, or otherwise authorize others to use any direct, indirect, or beneficial interest of yours in or to this Agreement, the Franchise granted under this Agreement, the System, or the other rights we grant you in relation to this Agreement.
    b. In the event of the transfer of ownership of your store(s), you must notify our affiliate, Pro Food Systems, Inc. ("PFS"), at least 15 days prior to such sale. You must satisfy all monetary and other obligations with PFS within 10 days of the closing of sale.

14. **Termination**.

    a. Termination by You. You may terminate this Agreement at any time on sixty (60) days' written notice of termination to us.
    b. Termination by Us.
        i. Immediate Termination. We may terminate this Agreement immediately on notice of termination to you: (i) if you breach any provision of Section 10 ("Inspections") of this Agreement; or (ii) if you commit any breach of this Agreement that is not reasonably susceptible of cure.
        ii. Termination with Opportunity to Cure. We may terminate this Agreement after ten (10) days' written notice of breach to you and your failure to cure such breach by the end of such cure period, if you breach any provision of this Agreement not described in Section 14.b.i of this Agreement.
    c. Reimbursement of Training Costs. Notwithstanding anything set forth in this Agreement to the contrary: (i) if you terminate this Agreement anytime within the Initial Term of this Agreement, you must pay us Seven Thousand Five Hundred and No/100 Dollars ($7,500) together with your notice of termination; or (ii) if we terminate this Agreement anytime within the Initial Term of this Agreement due to your breach, you must pay us Seven Thousand Five Hundred and No/100 Dollars ($7,500) so that we actually receive such payment by the end of ten (10) days after we demand such payment, to reimburse us for our training costs and expenses.

15. **Obligations on Termination**. On termination of this Agreement for any reason, you will immediately: (i) cease all use of the System; (ii) pay us and our affiliates all amounts you owe; (iii) return all Confidential Information, and all copies of all Confidential Information, to us; and (iv) comply with our then-current de-identification requirements.

    a. If your store has not been de-identified within seven (7) days after the effective date of termination or expiration, then you must pay us a "De-Identification Fee" equal to One Thousand and No/100 Dollars ($1,000) per day that your store is not de-identified following such termination. For example, purposes, if your store's signage was not removed until the 15th date after the effective termination, the De-Identification Fee will equal Eight Thousand and No/100 Dollars ($8,000). You shall pay us the De-Identification Fee on or before the tenth (10th) day after we demand the payment of such fee.

16. **Miscellaneous Provisions**.

    a. Notices.
        i. Any notice or document required or permitted to be delivered hereunder shall be hand delivered, sent via Certified or Registered mail, sent by overnight courier, or sent via email. It shall be deemed to be delivered and received whether actually received or not as follows: (1) three days after being deposited in the United States Mail, postage prepaid, Certified or Registered Mail; (2) upon execution of written receipt when hand delivered; (3) one day after being sent via overnight courier; or (4) upon the sender either receiving confirmation that the email transmission was completed successfully or no error or bounce back message was received. The parties' information for notice purposes is set forth below their signatures.
        ii. You and we will direct notices to the other, to the address for the other set forth on Attachment 1 to this Agreement.
    b. Further Assurances. You agree that: (i) you will perform such acts, and will execute and deliver such agreements and other documents to us, as we may deem necessary or beneficial to effect the intent of this Agreement; (ii) you will not condition or delay the performance of such acts or the execution and delivery of such agreements and other documents; and (iii) you will deliver such agreements and other documents to us so that we actually receive them by the end of thirty (30) days after we deliver them to you for execution.

    c. Dispute Resolution.
        i. Litigation. In the event of any dispute arising out of or related to this Agreement, including without limitation any dispute arising out of or related to the making of this Agreement, such dispute shall be resolved exclusively through litigation. Such litigation shall be conducted on an individual, not a class-wide, basis. No litigation under this Agreement may be consolidated with any other litigation involving us and any other person without our prior written consent.
        ii. Governing Law. The existence, validity, construction, enforcement, and sufficiency of performance of this Agreement shall be determined exclusively in accordance with, and governed exclusively by, the laws of the State of Delaware applicable to agreements made and to be entirely performed within the State of Delaware, which laws shall prevail in the event of any conflict of laws. Notwithstanding the foregoing, all litigation hereunder, to the extent governed by the United States Trademark Act of 1946, shall be governed by such Trademark Act of 1946.
        iii. Forum, Venue, and Jurisdiction. In the event of any litigation arising out of or related to this Agreement, including without limitation any litigation arising out of or related to the making of this Agreement, the exclusive forum and venue for such litigation shall be a state or federal court having jurisdiction over the subject matter in or for the city or county where our principal place of business is located. You hereby irrevocably accept and submit to, generally and unconditionally, the exclusive jurisdiction of any such court in any such action or proceeding and hereby waive all defenses based on jurisdiction, venue, and forum non conveniens.
        iv. WAIVER OF TRIAL BY JURY. YOU AND WE HEREBY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATED TO: (I) THIS AGREEMENT; (II) THE RESTAURANT(S); AND (III) THE BUSINESS RELATIONSHIP BETWEEN YOU AND US.
        v. Attorneys' Fees. In the event of any dispute arising out of or related to this Agreement, including without limitation any dispute arising out of or related to the making of this Agreement, the non-prevailing party shall pay the prevailing party, on demand, such prevailing party's costs, including without limitation such prevailing party's reasonable attorneys' fees and costs, and further including without limitation such prevailing party's reasonable attorneys' fees and costs of appeal, and further including without limitation such prevailing party's reasonable attorneys' fees and costs of collection, all of which shall be taxed as costs, so that the prevailing party actually receives such amounts by the end of ten (10) days after demand therefor. In the event of any breach of this Agreement, the breaching party shall pay the non-breaching party such non-breaching party's costs related to such breach, including without limitation such non-breaching party's reasonable attorneys' fees and costs, and further including without limitation such non-breaching party's reasonable attorneys' fees and

costs of collection, so that the non-breaching party actually receives such amounts by the end of ten (10) days after demand therefor.

d. Relationship of the Parties. You acknowledge and agree that: (i) the relationship between you and us is solely and exclusively an independent contractual relationship; (ii) you do not have any right, power, or authority to obligate or to bind us, legally or otherwise; (iii) nothing in this Agreement may be construed to create a partnership or a joint venture, or an agency, fiduciary, or employment relationship; (iv) we will not be liable for any damages to any person or property that directly or indirectly arise out of or relate to the Store(s) or the Restaurant(s); and (v) except as otherwise set forth in this Agreement, we do not have control or any right of control over your business.

17. **Construction of Agreement**.

a. Merger; Entire Agreement. This Agreement, including the schedules and addenda to this Agreement, is a complete integration that sets forth the entire agreement between you and us, fully superseding any and all prior negotiations, agreements, representations, and understandings between you and us, whether oral or written, related to the subject matter of this Agreement. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. You and we hereby expressly agree that there are no other oral or written agreements, "side-deals," arrangements, or understandings between you and us except as expressly set forth in this Agreement.

b. Interpretation. The Recitals to this Agreement shall be construed as a material and enforceable part of this Agreement for all purposes, and shall in no event be considered prefatory material or mere surplusage. Except as otherwise set forth in this Agreement, the language of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either party.

c. Survival of Obligations. All obligations of this Agreement that expressly or by their nature require performance after the termination or expiration of this Agreement, or that by their nature would reasonably be expected to continue in effect after termination or expiration of this Agreement, shall continue in full force and effect after and notwithstanding this Agreement's termination or expiration, until they are satisfied in full or by their nature expire. Such obligations shall include, without limitation, provisions applicable to: (i) your obligations on termination or expiration; (ii) the protection of the Marks; (iii) Confidential Information; (iv) indemnification; and (v) dispute resolution. The provisions of this Agreement may be enforced through specific performance. We are entitled to all remedies at law or in equity to protect our rights, including without limitation injunctive relief and specific performance. Bond is hereby waived should we seek any injunctive relief or specific performance.

d. Authority to Enter into Agreement. The parties hereby attest that they are fully authorized to enter into this Agreement.

e. Submission of Agreement. Submission of this Agreement to you does not constitute an offer to enter into a contract. This Agreement shall become effective only on its execution by you and us, and shall not be binding on us unless and until it is signed by our authorized officer and delivered to you.

**[SIGNATURES CONTAINED ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound hereby, have duly executed and delivered this Agreement as of the Effective Date.

**US:**

HANGAR 54 PIZZA FRANCHISING, LLC

By: _____
Shawn Burcham
Title: Founder & Chief Executive Officer

**YOU:**

_____
PRINT FULL LEGAL NAME OF COMPANY

By: _____

_____
PRINT FULL NAME OF PERSON SIGNING THIS AGREEMENT

Title: _____

**Fractional Franchise**

If you are not in one of the following states, California, Hawaii, Illinois, Maryland, New York, North Dakota, Rhode Island or Washington, and you meet the following two conditions, you are eligible to be treated as a fractional franchise. By checking the boxes below and initialing each condition, you are confirming that (i) you meet the requirements of a fractional franchisee and (ii) you are acknowledging that, as a fractional franchisee, you will not be issued a Franchise Disclosure Document.

| | | Initial |
|---|---|---|
| ☐ | The franchisee, any of the franchisee's current directors or officers, or any current directors or officers of a parent or affiliate, has more than two (2) years of experience in the same type of business; and | Us _____<br>You _____ |
| ☐ | The parties have a reasonable basis to anticipate that the sales arising from the relationship will not exceed 20% of the franchisee's total dollar volume in sales during the first year of operation. | Us _____<br>You _____ |

You hereby covenant, warrant, represent, and agree that you will not: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, alleging, claiming, or raising any matter contrary to the matters set forth above regarding the Fractional Franchise.

**ADDRESSES AND CONTACT INFORMATION;**
**EQUIPMENT; SPECIAL TERMS AND CONDITIONS**

1. **Approved Location**. The Restaurant(s) address and contact information are:

Store(s) Name: _____
Address: _____
_____
_____
_____
Contact Person: _____
Store(s) Phone Number: _____
Mobile Number: _____
Email Address: _____

2. **Your Corporate Address**. Your billing address and contact information are:

Corporate Name: _____
Address: _____
_____
_____
_____
Contact Person: _____
Corporate Number: _____
Mobile Number: _____
Email Address: _____

3. **Your Address for Delivery of Notices**. Your address for delivery of notices and the person to whom we must direct notices are:

Address: _____
_____
_____
_____
Attention: _____

4. **Our General Address**. Our general address and contact information are:

Address: P.O. Box 160
Holts Summit, Missouri 65043
Office Number: (888) 581-9188
Fax Number: (573) 896-9583

5. **Our Addresses for Delivery of Notices**.

5.1 Our address for delivery of notices that you send by courier (e.g., UPS or Federal Express) and the person to whom you must direct such notices are:

Address: 120 Commerce Drive
Holts Summit, Missouri 65043
Attention: President

5.2 Our address for delivery of notices that you send by certified or registered U.S. mail and the person to whom you must direct such notices are:

Address: P.O. Box 160
Holts Summit, Missouri 65043
Attention: President

6. **Special Terms and Conditions**:

## REQUIRED PRODUCTS

**Frozen**
- 14" Par-baked Crust
- Pepperoni
- Italian Sausage
- Diced Bacon
- Fully-cooked chicken breast strips
- 5 Cheese Pizza Blend
- Cheesy Eggs
- Sausage Gravy
- Sausage Patties Pork
- Ham Hickory Smoked
- Applewood Smoked Bacon
- Flour Tortillas (12")

**Choose 1 minimum of:**
- Biscuit Buttermilk Simple-Split
- Biscuit Buttermilk Split-Dough
- English Muffin

**Supplies/Other**
- Hangar 54 Pizza Slice Box
- Hangar 54 Pizza Full Pie Box

**Sauce**
- Garlic Whirl
- Pizza Sauce

**Dipping Sauce Cups**
- Ranch Dipping Cups
- Buffalo Dipping Cups
- BBQ Dipping Cups

## OPTIONAL PRODUCTS

**Frozen**
- Breaded RTC Boneless Chicken Bites
- Breaded RTC Chicken Tenders
- Pulled Pork

**Supplies/Other**
- 14" Cardboard Disk
- Shrink Wrap
- Black 28oz Compartment Container
- Grab & Go Cup
- Cutlery Kit

**EXHIBIT B**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**GOLD AND SILVER ADDENDA**
**TO FRANCHISE AGREEMENT**

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# SPECIAL TERMS AND CONDITIONS ADDENDUM TO THE HANGAR 54 PIZZA FRANCHISE AGREEMENT

## FOR BUSINESS-WITHIN-A-BUSINESS LOCATIONS

THIS ADDENDUM (the "Addendum") is made and entered into on _____, (the "Effective Date"), by and between HANGAR 54 PIZZA FRANCHISING, LLC, a Delaware limited liability company ("we," "us," or "our"), and _____ ("you" or "your").

## RECITALS

A. You and we are entering into a Hangar 54 Pizza franchise agreement (the "Franchise Agreement") together with this Addendum.

B. You and we mutually desire to add certain provisions to, and to modify, the Franchise Agreement as set forth in this Addendum.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Addendum, you and we hereby agree as follows:

1. **Definitions**.

1.1 Accounting Period. "Accounting Period" shall mean the four (4) week accounting period we prescribe.

1.2 Branded Products. "Branded Products" shall mean the PFSbrands and Hangar 54 Pizza branded products that: (i) we specify; (ii) you purchase from us or our affiliates, and (iii) that apply to the Hangar 54 Pizza operation. We will list the Branded Products in the Operations Manual or otherwise in writing. We will have the right to add to, delete from, and modify the items that are included within the scope of "Branded Products" from time to time.

1.3 BWB Location. "BWB Location" shall mean a Hangar 54 Pizza restaurant that is located in a grocery store, convenience store, or similar business-within-a-business location that you or an affiliate of yours operate.

1.4 Independent Location. "Independent Location" shall mean a Hangar 54 Pizza restaurant that is located: (i) in a freestanding building, or in a strip mall or similar shopping center; or (ii) in a business a third party operates, like a shopping center food court or an airport.

1.5 MDF. "MDF" shall mean "marketing development fund" as set forth in Section 2 of this Addendum.

1.6 Program Quarter. "Program Quarter" shall mean three (3) or four (4) consecutive Accounting Periods as we may prescribe.

1.7 Program Year. "Program Year" shall mean: (i) thirteen (13) consecutive Accounting Periods; and (ii) four (4) consecutive Program Quarters.

1.8 VIR. "VIR" shall mean "volume incentive rebate". Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the "VIR Program."

1.9 GIR. "GIR" shall mean "growth incentive rebate." Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the "GIR Program.

1.10 Capitalized terms used but not otherwise defined in this Addendum shall have the same meanings as are ascribed to them in the Franchise Agreement.

2. **MDF Program: Reimbursement for Qualified Advertising You Publish**.

2.1 MDF Program. We have developed a program under which we will reimburse you for a portion of your expenditures for qualified advertising you publish. We refer to this program as the "MDF Program."

2.2 Definitions.

2.2.1 Accrual Fund. "Accrual Fund" shall mean the advertising fund or funds that we create.

2.2.2 Advertising Claim. "Advertising Claim" shall mean a request for reimbursement that you submit to us, in writing, using the form we specify, in the manner we specify, requesting that we use amounts you have accrued in the Accrual Fund to reimburse you for Qualified Advertising you publish. Such Advertising Claim must include: (i) proof that the Qualified Advertising for which you are requesting reimbursement was in fact published; (ii) the date of such publication; (iii) the net amount you paid for such publication; and (iv) such other information as we may request.

2.2.3 Balance. "Balance" shall mean the amount we are holding in the Accrual Fund from your net purchases of Branded Products. "Balance" shall not include amounts we are holding in the Accrual Fund for our other franchisees' purchases of Branded Products or for any other reason.

2.2.4 Qualified Advertising. "Qualified Advertising" shall mean advertising in broadcast, print, or electronic media, or any other advertising material or signage we approve to be funded with MDF Program funds, that: (i) we initiate or (ii) you submit to us in the manner we specify for our approval prior to purchase or publication; and we approve in writing.

2.3 Accrual Fund; Deposits We Make Into Accrual Fund. We will create the Accrual Fund. We will deposit forty percent (4.0%) of your total net purchases of Branded Products into the Accrual Fund. Our affiliate Pro Food Systems, Inc. will provide an initial MDF contribution of $1,000 to be used for advertising and promotional purposes for the Restaurant.

2.4 Reimbursement for Expenditures for Qualified Advertising. To receive reimbursement of expenditures you made for purchase or publication of Qualified Advertising, you must submit an Advertising Claim to us. You must submit such Advertising Claim so that we actually receive it by the end of ninety (90) days after the Qualified Advertising that is the subject of the Advertising Claim was published.

2.4.1 If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount of the Balance available in the Accrual Fund from your net purchases of Branded Products.

2.4.2 Notwithstanding anything set forth in Section 2.4.1 of this Addendum, we reserve the right to pay the amount of any Advertising Claim directly to the applicable supplier of advertising, and not to you.

2.4.3 In no event will we be required to reimburse you for any amount in excess of the Balance in the Accrual Fund. In no event will we be required to pay any supplier of advertising any amount in excess of the Balance in the Accrual Fund.

2.5 Reimbursement Date. We will pay you the amount of any Advertising Claim we may owe by the end of thirty (30) days after the end of each Program Quarter for the immediately-preceding Program Quarter.

2.6 Expiration. Any portion of the Balance in the Accrual Fund that is over one (1) Program Year old will be deducted from the Balance and will not be eligible to be used or for reimbursement of an Advertising Claim. We will have the right to use such portion as we deem appropriate.

2.7 MDF Policies and Procedures. Our Standards and Specifications (as defined in the Franchise Agreement) specifically include, without limitation, rules, guidelines, standards, specifications, plans, programs, and procedures that we publish in connection with the MDF Program (collectively, the "MDF Policies and Procedures"). We may add to, delete from, and modify the MDF Policies and Procedures from time to time as we deem appropriate. You must comply with the MDF Policies and Procedures and all additions to, deletions from, and modifications of them.

2.8 Compliance with Agreements. We will not be required to pay any Advertising Claim under this Section 2: (i) if we have notified you of any non-compliance with the Franchise Agreement during the immediately-preceding Program Year; (ii) if you are, at the time you submit the Advertising Claim, in breach of the Franchise Agreement; (iii) if you or any of your affiliates are, at the time you submit the Advertising Claim, in breach of any other agreement to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties; (iv) if you have not been in substantial compliance with the Franchise Agreement during so much of the term of the Franchise Agreement as has expired; or (v) if you or any of your affiliates have not been in substantial compliance with all other agreements to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties, during so much of the terms of such agreements as have expired. We will have the sole discretion to determine whether you or any of your affiliates are in breach of the Franchise Agreement or the other agreements described in this Section 2.8, or whether you or any of your affiliates have not been in substantial compliance with such agreements.

2.9 Ownership of Amounts. You acknowledge and agree that all amounts set forth in Section 2.3 of this Addendum and otherwise are our sole and exclusive property until we have actually paid the Advertising Claim related to such amounts.

2.10 Our Rights.

2.10.1 We reserve the right to discontinue the MDF Program at any time on notice to you, as we deem appropriate in our sole discretion. If we discontinue the MDF Program, we will pay all Advertising Claims as set forth in this Addendum up to the amount of the Balance in the Accrual Fund, subject to Section 3.8 ("Expiration") of this Addendum.

2.10.2 We may charge you for advertising and marketing materials you ask us to produce, or that we produce on your behalf. You agree that: (i) we may deduct the amount of these fees from the Accrual Fund; and (ii) if the amount in the Accrual Fund is not sufficient to pay the fees, you will pay us the amount you owe so that we actually receive the payment by the end of thirty (30) days after we request payment.

3. **Territory**. Section 4.c ("Territory") of the Franchise Agreement, which section provides that:

> Your territory (your "Territory") will consist of the shell of the Store. Inside your Territory, we will not operate, and we will not authorize others to operate, restaurants using the System. Outside your Territory, we may operate, and we may authorize others to operate, restaurants using the System at any location, even if they compete with you.

shall be modified to provide as follows:

> Your territory (your "Territory") will consist of a one (1) mile radius around your Restaurant. Inside your Territory: (i) we will not operate, and we will not authorize others to operate, restaurants in BWB Locations using the System; and (ii) we may operate, and we may authorize others to operate, restaurants in Independent Locations using the System, even if they compete with you. Outside your Territory, we may operate, and we may authorize others to operate, restaurants using the System at any location, even if they compete with you. Notwithstanding anything set forth in Section 4.c to the contrary, if there is another Hangar 54 Pizza restaurant in a BWB Location in your Territory as of the Effective Date of this Agreement: (a) such other restaurant may continue to operate; and (b) such operation shall not be a breach of this Section 4.c.

4. **Other Requirements**.

4.1 Term.

4.1.1 Five (5) Year Term. Section 2 ("Term") of the Franchise Agreement, which section provides that:

> This Agreement will commence on the Effective Date and will continue in effect until either party terminates this Agreement as set forth in this Agreement.

shall be modified to provide as follows:

> This Agreement will commence on the Effective Date and will continue in effect for five (5) years thereafter (the "Initial Term"). This Agreement will automatically renew for an unlimited number of consecutive five (5) year terms (each such additional term being referred to in this Agreement as a "Renewal Term," and the Initial Term, together with all Renewal Terms, being referred to collectively as the "Term") unless you or we notify the other in writing, at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term, of such party's intent not to renew at the end of such Initial Term or then-current Renewal Term.

4.1.2 Damages for Termination. If we terminate the Franchise Agreement due to your breach prior to the expiration of the Initial Term or the then-current Renewal Term, or if you terminate the Franchise Agreement prior to the expiration of the Initial Term or the then-current Renewal Term, you will reimburse us the amount of: (i) all rebates we paid you under the VIR and/or GIR Program paid to you by us our affiliates PFSbrands during the Initial Term or the then-current Renewal Term; and (ii) all Advertising Claims we paid under the MDF Program during the Initial Term or the then-current Renewal Term. You must pay us all amounts owed under this Section 4.1.2 so that we actually receive the payment by the end of ten (10) days after we request such payment.

4.2 Signage. You will purchase or lease from us, our affiliates, or suppliers we designate, the interior and exterior signage we specify. You will display and maintain such signage as we direct. Such signage will include, without limitation: (i) illuminated exterior signage; and (ii) a digital menu board.

4.3 Breakfast Program. You will participate in our breakfast program by offering for sale the breakfast items we specify, in compliance with our Standards and Specifications.

4.4 Equipment. You will purchase or lease from us, our affiliates, or suppliers we designate, the equipment we specify. You will use and maintain such equipment as we direct.

4.5 Test Marketing. We may from time to time conduct market research and testing to determine consumer trends and the marketability of new products, equipment, services, supplies, and merchandise (collectively, the "Test Products"). We will work with you in good faith to determine the Test Products that would be a good product match with your Store. You will assist us with such market research and testing by participating in any such programs as we may require, at your sole cost and expense. Such assistance may include, without limitation: (i) test-marketing Test Products through the Restaurant as we may direct; (ii) providing us with timely reports and other relevant information we may request regarding such test-marketing; and (iii) effectively promoting and making reasonable efforts to sell such Test Products. If we or our affiliates offer ingredients used in the Test Products, we will offer them to you at a discount off the list price.

5. **Retail Technologies**.

5.1 WIFI Network Controller. You will install, maintain, and use our WIFI network controller that we designate. This device will create a network structure within your Store that will connect all of the herein described technologies to the internet. You will allow our affiliate to access the device to update, maintain, and troubleshoot the connected devices. You will also install, maintain and use the PFSnet router device that we designate. All internet usage of networks connected to the PFSnet router device shall be solely related to the operation of the Restaurant(s) and in compliance with our Standards and Specifications. In the event you use any

network connected to the PFSnet router device for purposes other than operation of the Restaurant(s), or your use is not in compliance with our Standards and Specifications, you will be solely responsible for the costs associated with the data usage related thereto, and shall be required to pay to us an amount equal to any amounts we must pay for data usage on your behalf. You will allow us and our affiliate to access, update, and maintain the system remotely.

5.2 Digital Menu Boards. You will install, maintain and use the digital menu system that we designate. You will use the system as we direct. You will allow us access to update the system remotely with access via the WIFI network controller listed in 5.1.

5.3 Communications Tablet. You will utilize and maintain our Communications Tablet that we designate. This tablet will give the Store access to materials such as training videos, standard operating procedures library, upcoming events and promotions, promotional materials, and direct communications with corporate office. This device will be connected via the WIFI Network Controller listed in section 5.1.

5.4 Sales Reporting. Section 11.a ("Reports, Documents, and Data") of the Franchise Agreement shall be modified by adding the following language to such section, as Section 11.a.

> 11.ii Sales Reporting. You will provide us with daily sales reports and similar periodic reports, using the form or method we specify.

5.5 Order Management System. You will install, maintain, and use the Order Management System that we designate. This system includes a Point of Sale ("POS") system as well as a People Counter device. You will use your Order Management System as we direct. Our directions will require you, without limitation, to use your Order Management System: (i) to accurately record your sales transactions; (ii) to print bar code labels and other labels; (iii) to prepare daily sales reports and similar periodic reports; (iv) to provide us with other reports, documents, and data that we may specify; and (v) to perform other functions that we may specify.

5.6 Other. All other technologies we develop in the future that we deem appropriate and essential to developing the Hangar 54 local, regional, and/or national brand identity.

## 6. **Brand Promise; Money Back Guarantee**

6.1 If you are not satisfied with the Program, we will provide you with a 100% money back guarantee for the equipment listed in 6.2 that you purchase from us to run the Program.

6.2 Eligible equipment for money back guarantee is as follows: Digital Menu Boards, POS, oven, refrigerated prep table, and display case. We will refund you the amount paid for equipment and sales taxes minus freight charges for these items.

6.3 You have 90 days from the date you open your Restaurant to notify us that you would like to execute this Brand Promise; Money Back Guarantee. You must notify us in writing via certified mail.

6.4 You must comply with our then current de-identification requirements prior to us arranging for pickup of your equipment.

6.5 You must unhook, disassemble, and/or dismantle all equipment and have it located in one convenient area for pickup.

6.6 Prior to us arranging the return of your equipment, you must pay us the freight charges required to return the equipment to one of our locations. We will provide you with the stated 100% money back guarantee within 21 days after the date we pick up the equipment. We reserve the right, in our sole discretion, to discount the money back guarantee if any of the equipment is not operational, missing components, or is deemed to be in a condition not consistent with equipment that is 90 days old.

7. **Miscellaneous**.

7.1 Merger; Entire Agreement. This Addendum, together with the Franchise Agreement, is a complete integration that sets forth the entire agreement between you and us, fully superseding any and all prior negotiations, agreements, representations, and understandings between you and us, whether oral or written, related to the subject matter of the Franchise Agreement and this Addendum. In the event of any conflict between any provision of this Addendum and a provision of the Franchise Agreement, the provision set forth in this Addendum shall control. A breach by you of this Addendum shall be deemed to be a breach of the Franchise Agreement. Notwithstanding the forgoing, nothing in this Addenda or any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

7.2 Dispute Resolution. In the event of any dispute arising out of or related to this Addendum, including without limitation any dispute arising out of or related to the making of this Addendum, such dispute shall be resolved exclusively as set forth in Section 16.c ("Dispute Resolution") of the Franchise Agreement. The provisions of this Section 15 shall remain in full force and effect after the expiration or termination of the Franchise Agreement.

7.3 Submission of Addendum. Submission of this Addendum to you does not constitute an offer to enter into a contract. This Addendum shall become effective only on its execution by you and us, and shall not be binding on us unless and until it is signed by our authorized officer and delivered to you.

The parties to this Addendum, intending to be legally bound hereby, have duly executed and delivered this Addendum as of the Effective Date.

**US:**

HANGAR 54 PIZZA FRANCHISING, LLC

By: _____
Shawn Burcham
Title: Founder & Chief Executive Officer

**YOU:**

_____
PRINT FULL LEGAL NAME OF COMPANY

By: _____

_____
PRINT FULL NAME OF PERSON SIGNING THIS AGREEMENT

Title: _____

# SPECIAL TERMS AND CONDITIONS ADDENDUM TO THE HANGAR 54 PIZZA AGREEMENT

## FOR BUSINESS-WITHIN-A-BUSINESS LOCATIONS

THIS ADDENDUM (the "Addendum") is made and entered into on _____ (the "Effective Date"), by and between HANGAR 54 PIZZA FRANCHISING, LLC, a Delaware limited liability company ("we," "us," or "our"), and _____ ("you" or "your").

### RECITALS

A. You and we are entering into a Hangar 54 Pizza franchise agreement (the "Franchise Agreement") together with this Addendum.

B. You and we mutually desire to add certain provisions to, and to modify, the Franchise Agreement as set forth in this Addendum.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Addendum, you and we hereby agree as follows:

1. **Definitions**.

1.1 Accounting Period. "Accounting Period" shall mean the four (4) week accounting period we prescribe.

1.2 Branded Products. "Branded Products" shall mean the PFSbrands and Hangar 54 Pizza branded products that: (i) we specify; (ii) you purchase from us or our affiliates, and (iii) that apply to the Hangar 54 Pizza operation. We will list the Branded Products in the Operations Manual or otherwise in writing. We will have the right to add to, delete from, and modify the items that are included within the scope of "Branded Products" from time to time.

1.3 BWB Location. "BWB Location" shall mean a Hangar 54 Pizza restaurant that is located in a grocery store, convenience store, or similar business-within-a-business location that you or an affiliate of yours operate.

1.4 Independent Location. "Independent Location" shall mean Hangar 54 Pizza restaurant that is located: (i) in a freestanding building, or in a strip mall or similar shopping center; or (ii) in a business a third party operates, like a shopping center food court or an airport

1.5 MDF. "MDF" shall mean "marketing development fund" as set forth in Section 2 of this Addendum.

1.6 Program Quarter. "Program Quarter" shall mean three (3) or four (4) consecutive Accounting Periods as we may prescribe.

1.7 Program Year. "Program Year" shall mean: (i) thirteen (13) consecutive Accounting Periods; and (ii) four (4) consecutive Program Quarters.

1.8 VIR. "VIR" shall mean "volume incentive rebate". Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the "VIR Program."

1.9 GIR. "GIR" shall mean "growth incentive rebate." Our affiliate, PFSbrands, has developed, or may develop a program under which they may pay you a rebate based on your net purchases of Branded Products. We refer to this program as the "GIR Program." Capitalized terms used but not otherwise defined in this Addendum shall have the same meanings as are ascribed to them in the Franchise Agreement.

1.10 Capitalized terms used but not otherwise defined in this Addendum shall have the same meanings as are ascribed to them in the Franchise Agreement.

2. **MDF Program: Reimbursement for Qualified Advertising You Publish**.

2.1 MDF Program. We have developed a program under which we will reimburse you for a portion of your expenditures for qualified advertising you publish. We refer to this program as the "MDF Program."

2.2 Definitions.

2.2.1 Accrual Fund. "Accrual Fund" shall mean the advertising fund or funds that we create.

2.2.2 Advertising Claim. "Advertising Claim" shall mean a request for reimbursement that you submit to us, in writing, using the form we specify, in the manner we specify, requesting that we use amounts accrued in the Accrual Fund to reimburse you for Qualified Advertising you publish. Such Advertising Claim must include: (i) proof that the Qualified Advertising for which you are requesting reimbursement was in fact published; (ii) the date of such publication; (iii) the net amount you paid for such publication; and (iv) such other information as we may request.

2.2.3 Balance. "Balance" shall mean the amount we are holding in the Accrual Fund from your net purchases of Branded Products. "Balance" shall not include amounts we are holding in the Accrual Fund for our other franchisees' purchases of Branded Products or for any other reason.

2.2.4 Qualified Advertising. "Qualified Advertising" shall mean advertising in broadcast, print, or electronic media, or any other advertising material or signage we approve to be funded with MDF Program funds, that: (i) we initiate or (ii) you submit to us in the manner we specify for our approval prior to purchase or publication; and we approve in writing.

2.3 Accrual Fund; Deposits We Make Into Accrual Fund. We will create the Accrual Fund. We will deposit two and one-half percent (2.5%) of your total net purchases of Branded Products into the Accrual Fund. Our affiliate Pro Food Systems, Inc. will provide an initial MDF contribution of $500 to be used for advertising and promotional purposes for the Restaurant.

2.4 Reimbursement for Expenditures for Qualified Advertising. To receive reimbursement of expenditures you made for purchase or publication of Qualified Advertising, you must submit an Advertising Claim to us. You must submit such Advertising Claim so that we actually receive it by the end of ninety (90) days after the Qualified Advertising that is the subject of the Advertising Claim was published.

2.4.1 If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount of the Balance available in the Accrual Fund from your net purchases of Branded Products.

2.4.2 Notwithstanding anything set forth in Section 2.4.1 of this Addendum, we reserve the right to pay the amount of any Advertising Claim directly to the applicable supplier of advertising, and not to you.

2.4.3 In no event will we be required to reimburse you for any amount in excess of the Balance in the Accrual Fund. In no event will we be required to pay any supplier of advertising any amount in excess of the Balance in the Accrual Fund.

2.5 Reimbursement Date. We will pay you the amount of any Advertising Claim we may owe by the end of thirty (30) days after the end of each Program Quarter for the immediately-preceding Program Quarter.

2.6 Expiration. Any portion of the Balance in the Accrual Fund that is over one (1) Program Year old will be deducted from the Balance and will not be eligible to be used or for reimbursement of an Advertising Claim. We will have the right to use such portion as we deem appropriate.

2.7 MDF Policies and Procedures. Our Standards and Specifications (as defined in the Franchise Agreement) specifically include, without limitation, rules, guidelines, standards, specifications, plans, programs, and procedures that we publish in connection with the MDF Program (collectively, the "MDF Policies and Procedures"). We may add to, delete from, and modify the MDF Policies and Procedures from time to time as we deem appropriate. You must comply with the MDF Policies and Procedures and all additions to, deletions from, and modifications of them.

2.8 Compliance with Agreements. We will not be required to pay any Advertising Claim under this Section 2: (i) if we have notified you of any non-compliance with the Franchise Agreement during the immediately-preceding Program Year; (ii) if you are, at the time you submit the Advertising Claim, in breach of the Franchise Agreement; (iii) if you or any of your affiliates are, at the time you submit the Advertising Claim, in breach of any other agreement to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties; (iv) if you have not been in substantial compliance with the Franchise Agreement during so much of the term of the Franchise Agreement as has expired; or (v) if you or any of your affiliates have not been in substantial compliance with all other agreements to which you or any of your affiliates on the one hand, and we or any of our affiliates on the other hand, are parties, during so much of the terms of such agreements as have expired. We will have the sole discretion to determine whether you or any of your affiliates are in breach of the Franchise Agreement or the other agreements described in this Section 2.8, or whether you or any of your affiliates have not been in substantial compliance with such agreements.

2.9 Ownership of Amounts. You acknowledge and agree that all amounts set forth in Section 2.3 of this Addendum and otherwise are our sole and exclusive property until we have actually paid the Advertising Claim related to such amounts.

2.10 Our Rights.

2.10.1 We reserve the right to discontinue the MDF Program at any time on notice to you, as we deem appropriate in our sole discretion. If we discontinue the MDF Program, we will pay all Advertising Claims as set forth in this Addendum up to the amount of the Balance in the Accrual Fund, subject to Section 2.6 ("Expiration") of this Addendum.

2.10.2 We may charge you for advertising and marketing materials you ask us to produce, or that we produce on your behalf. You agree that: (i) we may deduct the amount of these fees from the Accrual Fund; and (ii) if the amount in the Accrual Fund is not sufficient to pay the fees, you will pay us the amount you owe so that we actually receive the payment by the end of thirty (30) days after we request payment.

3. **Other Requirements**.

3.1 Term.

3.1.1 Three (3) Year Term. Section 2 ("Term") of the Franchise Agreement, which section provides that:

> This Agreement will commence on the Effective Date and will continue in effect until either party terminates this Agreement as set forth in this Agreement.

shall be modified to provide as follows:

> This Agreement will commence on the Effective Date and will continue in effect for three (3) years thereafter (the "Initial Term"). This Agreement will automatically renew for an unlimited number of consecutive three (3) year terms (each such additional term being referred to in this Agreement as a "Renewal Term," and the Initial Term, together with all Renewal Terms, being referred to collectively as the "Term") unless you or we notify the other in writing, at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term, of such party's intent not to renew at the end of such Initial Term or then-current Renewal Term.

3.1.2 Damages for Termination. If we terminate the Franchise Agreement due to your breach prior to the expiration of the Initial Term or the then-current Renewal Term, or if you terminate the Franchise Agreement prior to the expiration of the Initial Term or the then-current Renewal Term, you will reimburse us the amount of: (i) all rebates we paid you under the VIR and/or GIR Program paid to you by us or our affiliates PFSbrands during the Initial Term or the then-current Renewal Term; and (ii) all Advertising Claims we paid under the MDF Program during the Initial Term or the then-current Renewal Term. You must pay us all amounts owed under this Section 3.1.2 so that we actually receive the payment by the end of ten (10) days after we request such payment.

3.2 Signage. You will purchase or lease from us, our affiliates, or suppliers we designate, the interior and exterior signage we specify. You will display and maintain such signage as we direct. Such signage will include, without limitation: (i) illuminated exterior signage; and (ii) a digital menu board.

3.3 Breakfast Program. You will, if we direct you to do so, participate in our breakfast program by offering for sale the breakfast items we specify, in compliance with our Standards and Specifications.

4. **Retail Technologies**.

4.1 WIFI Network Controller. You will install, maintain, and use our WIFI network controller that we designate. This device will create a network structure within your Store that will connect all of the herein described technologies to the internet. You will allow our affiliate to access the device to update, maintain, and troubleshoot the connected devices. You will also install, maintain and use the PFSnet router device that we designate. All internet usage of networks connected to the PFSnet router device shall be solely related to the operation of the Restaurant(s) and in compliance with our Standards and Specifications. In the event you use any network connected to the PFSnet router device for purposes other than operation of the Restaurant(s), or your use is not in compliance with our Standards and Specifications, you will be solely responsible for the costs associated with the data usage related thereto, and shall be required to pay to us an amount equal to any amounts we must pay for data usage on your behalf. You will allow us and our affiliate to access, update, and maintain the system remotely.

4.2 Digital Menu Boards. You will install, maintain and use the digital menu system that we designate. You will use the system as we direct. You will allow us access to update the system remotely with access via the WIFI network controller listed in 4.1.

4.3 Communications Tablet. You will utilize and maintain our Communications Tablet that we designate. This tablet will give the Store access to materials such as training videos, standard operating procedures library, upcoming events and promotions, promotional materials, and direct communications with corporate office. This device will be connected via the WIFI Network Controller listed in Section 4.1.

4.4 Other. All other technologies we develop in the future that we deem appropriate and essential to developing the Hangar 54 local, regional, and/or national brand identity.

5. **Miscellaneous**.

5.1 Merger; Entire Agreement. This Addendum, together with the Franchise Agreement, is a complete integration that sets forth the entire agreement between you and us, fully superseding any and all prior negotiations, agreements, representations, and understandings between you and us, whether oral or written, related to the subject matter of the Franchise Agreement and this Addendum. In the event of any conflict between any provision of this Addendum and a provision of the Franchise Agreement, the provision set forth in this Addendum shall control. A breach by you of this Addendum shall be deemed to be a breach of the Franchise Agreement. Notwithstanding the forgoing, nothing in this Addenda or any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

5.2 Dispute Resolution. In the event of any dispute arising out of or related to this Addendum, including without limitation any dispute arising out of or related to the making of this Addendum, such dispute shall be resolved exclusively as set forth in Section 16.c ("Dispute Resolution") of the Franchise Agreement. The provisions of this Section 5.2 shall remain in full force and effect after the expiration or termination of the Franchise Agreement.

5.3 Submission of Addendum. Submission of this Addendum to you does not constitute an offer to enter into a contract. This Addendum shall become effective only on its execution by you and us, and shall not be binding on us unless and until it is signed by our authorized officer and delivered to you.

The parties to this Addendum, intending to be legally bound hereby, have duly executed and delivered this Addendum as of the Effective Date.

**US:**

HANGAR 54 PIZZA FRANCHISING, LLC

By: _____
Shawn Burcham
Title: Founder & Chief Executive Officer

**YOU:**

_____
PRINT FULL LEGAL NAME OF COMPANY

By: _____

_____
PRINT FULL NAME OF PERSON SIGNING THIS AGREEMENT

Title: _____

**EXHIBIT C**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**STATE REGULATIONS AND REQUIREMENTS ADDENDUM**

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## STATE REGULATIONS AND REQUIREMENTS ADDENDUM

The following are additional disclosures for our Multistate Franchise Disclosure Document. Various state franchise laws require us to make these additional disclosures. These additional disclosures will not apply to you unless you meet the jurisdictional requirements of the applicable state franchise registration and disclosure law independently without reference to these additional disclosures. These disclosures supplement our Disclosure Document and supersede any conflicting information contained in the body of the Disclosure Document:

### CALIFORNIA: FDD

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

2. Neither we nor any person in Item 2 of the disclosure document is subject to any currently-effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq*., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. We encourage you to consult with private legal counsel to determine the applicability of California and federal laws (such as California Business and Professions Code Section 20040.5 and Code of Civil Procedure Section 1281) to any provisions of the Franchise Agreement that restrict venue to a forum outside the State of California.

5. The Franchise Agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

7. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

### CALIFORNIA: FRANCHISE AGREEMENT

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

2. California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

3. The Franchise Agreement permits you to litigate with us only in place where our principal place of business is located. This provision may not be enforceable under California Law.

4. California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the California Department of Corporations prior to making a solicitation of a proposed material modification of an existing franchise.

5. Section 16.3.4 Waiver of Trial by Jury, is deleted in its entirety.

6. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of California law applicable to the provisions are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

**ILLINOIS: FDD**

1. Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," shall be amended by the addition of the following paragraph at the end of the Item:

> Sec. 705/4 of the Illinois Franchise Disclosure Act of 1987 provides that "any provision in a franchise/license agreement that designates jurisdiction or venue in a forum outside of Illinois is void provided that a franchise/license agreement may provide for arbitration in a forum outside of Illinois."

2. Notwithstanding Item 17.v. and the Franchise Agreement, we agree that litigation may take place in state or federal courts in Illinois.

3. Illinois law governs the agreement(s) between the parties to this franchise.

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other law of the State of Illinois is void.

**ILLINOIS: FRANCHISE AGREEMENT**

1. Section 20.6 of the Franchise Agreement is modified by adding the following:

> If your Hangar 54 Pizza Restaurant(s) is located in Illinois, the Franchise Agreement and the relationship between the parties shall be governed by and construed in accordance with Illinois law.

2. Section 704/41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision of the Franchise Agreement purporting to require you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. Therefore, Section 16.3.3 of the Franchise Agreement will be modified by adding the following language at the end of such section:

> Notwithstanding anything set forth in this section to the contrary, all litigation, court proceedings, lawsuits, court hearings, and other hearings initiated by you or us with respect to claims under the Illinois Franchise Disclosure Act will be venued exclusively in the State of Illinois.

3. Sections 705/19 and 705/20 of the Illinois Franchise Disclosure Act provide rights to franchisees concerning nonrenewal and termination of a franchise. If the Franchise Agreement contains a

provision that is inconsistent with the Illinois Franchise Disclosure Act, the Illinois Franchise Disclosure Act will control.

4. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of Illinois Franchise Disclosure Act applicable to the provisions are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

**INDIANA: FDD**

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

**INDIANA: FRANCHISE AGREEMENT**

1. Notwithstanding any provisions of the Franchise Agreement to the contrary, you will have the right to petition a Court of competent jurisdiction for injunctive relief relating to our improper termination of the Franchise Agreement or our unreasonable refusal to consent to transfer or assignment by you of the Franchise Agreement.

2. The provisions of Section 13 of the Franchise Agreement shall not apply to the extent that such provisions are in conflict with Indiana Code 23-2-2.7-1(10).

3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. The Indiana Deceptive Franchise Practices Law provides that it is unlawful for a franchise agreement to contain certain provisions limiting litigation brought for the breach of the agreement in any manner whatsoever.

4. The Indiana Deceptive Franchise Practices Law provides rights to you concerning termination of the Franchise Agreement. To the extent the Franchise Agreement contains a provision that is inconsistent with the Indiana Deceptive Franchise Practices Law, the Indiana Deceptive Franchise Practices Law will control.

5. The provisions of Section 16.3.3 of the Franchise Agreement shall not apply to the extent that such provisions are in conflict with Indiana Code 23-2-2.7-1(10). The Indiana Deceptive Franchise Practices Law requires that litigation between an Indiana franchisee and a franchisor will be conducted in Indiana or at a site mutually agreed on by the parties.

6. Notwithstanding Section 12.1 of the Franchise Agreement, any indemnification for liability caused by your proper reliance on or use of procedures and materials we provided or caused by our negligence will not apply to the extent that such provision is in conflict with Indiana Code Sections 23-2-2.7(5) and 23-2-2.7-1(10).

7. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of Indiana Deceptive Franchise Practices Law applicable to the provisions are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

8. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

9. The covenant not to compete that applies after the expiration or termination of the Franchise

Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

10. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

**ADDENDUM TO THE HANGAR 54 PIZZA FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT AS REQUIRED BY THE STATE OF MARYLAND**

The FDD is amended by the addition of the following language:

Item 17 of the FDD is hereby amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the FDD is hereby amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE HANGAR 54 PIZZA FRANCHISING, LLC FRANCHISE AGREEMENT AS REQUIRED BY THE STATE OF MARYLAND**

The Franchise Agreement is amended by the addition of the following language:

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is open for business.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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| **US:** | **YOU:** |
|---|---|
| HANGAR 54 PIZZA FRANCHISING, LLC | _____<br>PRINT FULL LEGAL NAME OF COMPANY |
| By: _____<br>Printed Name: Shawn Burcham<br>Title: Founder and Chief Executive Officer | By: _____<br>Printed Name: _____<br>Title: _____ |

**MINNESOTA**

1. Section 14.2 of the Franchise Agreement will be amended to require that in the event we provide you with written notice that you have breached the Franchise Agreement, such written notice will be provided to you at least ninety (90) days prior to the date we terminate the Franchise Agreement, and you will have sixty (60) days after receipt of such written notice within which to correct the breach specified in the written notice.

2. Section 16.3.3 of the Franchise Agreement is hereby amended by adding the following language:

> Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. Section 16.3.4, Waiver of Trial by Jury, is deleted in its entirety.

4. The Minnesota Department of Commerce requires that we indemnify you against liability to third parties for infringement resulting from your use of the trademarks licensed under the Franchise Agreement. Requirements imposed under the Minnesota Franchise Act will supersede inconsistent provisions contained in the Franchise Agreement.

5. Minn. Rule 2860.4400J prohibits waiver of a jury trial. If the Franchise Agreement and/or the Disclosure Document contain a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement shall be superseded by the Minn. Rule's requirements and shall have no force or effect.

6. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of Minnesota law applicable to the provisions are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

**ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

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

> INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT H OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING

PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

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

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

The undersigned does hereby acknowledge receipt of this addendum. Dated this day _____.

_____ _____

FRANCHISOR FRANCHISEE

**NORTH DAKOTA: FDD**

**THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):**

1, Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Sites of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

10. In the State of North Dakota, we will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

**NORTH DAKOTA: FRANCHISE AGREEMENT**

1. Any provision of the Franchise Agreement that designates jurisdiction or venue outside of the State of North Dakota or requires you to agree to jurisdiction or venue in a forum outside of the State of

North Dakota, is void with respect to any cause of action that is otherwise enforceable in the State of North Dakota.

2. The Franchise Agreement shall be construed under the laws of the State of North Dakota.

3. Section 16.3.4, Waiver of Trial by Jury, is deleted in its entirety.

4. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law applicable to the provisions are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

5. In the State of North Dakota, we will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

**VIRGINIA: FDD**

In recognition of the restrictions contained in Section 13-1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Hangar 54 Pizza Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure.

The State cover page, Item 5 and Item 7 of the FDD will be amended with the addition of the following language:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its preopening obligations under the franchise agreement.

The following statements are added to Item 17.h.:

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him or her under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him or her under the franchise, that provision may not be enforceable.

**VIRGINIA: FRANCHISE AGREEMENT**

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

**Washington Addendum to the Franchise Disclosure Document, Franchise Agreement and related agreements**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Based on our financial condition, the Washington Department of Financial Institutions, Securities Division, has required that payment of the initial franchise fee be deferred until the franchisor has provided its pre-opening obligations under the Franchise Agreement you open your first Hangar 54 Pizza business.

Exhibit H of the Francfhise Disclosure document is amended to state the following:

This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Section 17a. of the Franchise Agreement is revised to state that it does not apply to franchisees living and/or operating within Washington.

Section 7.1 of the Gold Addendum is revised to state that it does not apply to franchisees living and/or operating within Washington.

Section 5.1 of the Silver Addendum is revised to state that it does not apply to franchisees living and/or operation with Washington.

The undersigned does hereby acknowledge receipt of this addendum

| **US:** | **YOU:** |
|---|---|
| HANGAR 54 PIZZA FRANCHISING, LLC | _____<br>PRINT FULL LEGAL NAME OF COMPANY |
| By: _____<br>Printed Name: Shawn Burcham<br>Title: Founder and Chief Executive Officer | By: _____<br>Printed Name: _____<br>Title: _____ |

**EXHIBIT D**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**STATE ADMINISTRATORS**
**AND**
**AGENTS FOR SERVICE OF PROCESS**

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## AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

| State | State Agency | Agent for Service of Process |
|---|---|---|
| CALIFORNIA | Commissioner of the Department of Financial Protection and Innovation<br>Department of Financial Protection and Innovation<br>320 West 4th Street, Suite 750<br>Los Angeles, CA 90013<br>(213) 576-7505<br>Toll-free (866-275-2677) | Commissioner of the Department of Financial Protection and Innovation |
| CONNECTICUT | State of Connecticut<br>Department of Banking<br>Securities & Business Investments Division<br>260 Constitution Plaza<br>Hartford, CT 06103-1800<br>(860) 240-8230 | Banking Commissioner |
| HAWAII | Business Registration Division<br>Department of Commerce and Consumer Affairs<br>335 Merchant Street, Room 203<br>Honolulu, HI 96813<br>(808) 586-2722 | Commissioner of Securities of the State of Hawaii |
| ILLINOIS | Office of Attorney General<br>Franchise Division<br>500 South Second Street<br>Springfield, IL 62706<br>(217) 782-4465 | Illinois Attorney General |
| INDIANA | Indiana Secretary of State<br>Securities Division<br>302 West Washington St., Room E-111<br>Indianapolis, IN 46204<br>(317) 232-6681 | Indiana Secretary of State<br>201 State House<br>Indianapolis, IN 46204 |
| MARYLAND | Office of the Attorney General<br>Division of Securities<br>200 St. Paul Place<br>Baltimore, MD 21202-2020<br>(410) 576-6360 | Maryland Securities Commissioner<br>200 St. Paul Place<br>Baltimore, MD 21202-2020<br>(410) 576-6360 |
| MICHIGAN | Michigan Department of Attorney General<br>Consumer Protection Division<br>Antitrust and Franchise Unit<br>670 Law Building<br>Lansing, MI 48913<br>(517) 373-7117 | Michigan Department of Commerce, Corporations and Securities Bureau |
| MINNESOTA | Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, MN 55101-2198<br>(651) 539-1500 | Minnesota Commissioner of Commerce |

| State | State Agency | Agent for Service of Process |
|---|---|---|
| NEW YORK | Office of the New York State Attorney General<br>Investor Protection Bureau, Franchise Section<br>28 Liberty Street, 21st Floor<br>New York, NY 10005<br>(212) 416-8222 Phone<br>(212) 416-6042 Fax | Attention: New York Secretary of State<br>New York Department of State<br>One Commerce Plaza<br>99 Washington Avenue, 6th Floor<br>Albany, NY 11231-0001<br>(518) 473-2492 |
| NORTH DAKOTA | North Dakota Securities Department<br>600 East Boulevard, 5th Floor<br>Bismarck, ND 58505-0510<br>(701) 328-4712 | North Dakota Securities Commissioner |
| OREGON | Department of Consumer and Business Services<br>Division of Finance and Corporate Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4387 | Director of the Department of Consumer and Business Services |
| RHODE ISLAND | Department of Business Regulation<br>Division of Securities<br>1511 Pontiac Avenue, Building 69-1<br>Cranston, RI 02920<br>(401) 462-9585 | Director of Rhode Island Department of Business Regulation |
| SOUTH DAKOTA | Division of Insurance<br>Securities Regulation<br>124 South Euclid, Suite 104<br>Pierre, SD 57501<br>(605) 773-3563 | Director of Insurance-Securities Regulation |
| VIRGINIA | State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, VA 23219<br>(804) 371-9051 | Clerk of State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, VA 23219<br>(804) 371-9733 |
| WASHINGTON | Department of Financial Institutions<br>Securities Division<br>P.O. Box 41200<br>Olympia, WA 98504-1200<br>(360) 902-8760 | Director of Washington Financial Institutions<br>Securities Division<br>150 Israel Road, SW<br>Tumwater, WA 98501 |
| WISCONSIN | Wisconsin Securities Commissioner<br>Securities and Franchise Registration<br>345 W. Washington Avenue<br>Madison, WI 53703<br>(608) 266-8559 | Commissioner of Securities of Wisconsin |

Our agent for service of process in the State of Missouri is as follows:

Shawn Burcham
120 Commerce Drive
Holts Summit, Missouri 65043

**EXHIBIT E**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**FINANCIAL STATEMENTS**

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Financial Statements
December 31, 2023 and 2022

# Hangar 54 Pizza Franchising, LLC

Independent Auditor's Report ..... 1

Financial Statements

Balance Sheets ..... 3
Statements of Operations ..... 4
Statements of Member's Equity ..... 5
Statements of Cash Flows ..... 6
Notes to Financial Statements ..... 7

EideBailly

CPAs & BUSINESS ADVISORS

**Independent Auditor's Report**

To the Member
Hangar 54 Pizza Franchising, LLC
Holts Summit, Missouri

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Hangar 54 Pizza Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hangar 54 Pizza Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hangar 54 Pizza Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

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



What inspires you, inspires us. | eidebailly.com

4310 17th Ave. S. | P.O. Box 2545 | Fargo, ND 58108-2545 | T 701.239.8500 | F 701.239.8600 | EOE

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hangar 54 Pizza Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hangar 54 Pizza Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hangar 54 Pizza Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Eide Bailly LLP

Fargo, North Dakota
February 29, 2024

# Hangar 54 Pizza Franchising, LLC
## Balance Sheets
## December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| Assets | | |
| Cash | $ 10,119 | $ 13,878 |
| Receivables | 3,873 | 3,653 |
| | $ 13,992 | $ 17,531 |
| Liabilities and Member's Equity | | |
| Current Liabilities | | |
| Due to related party | $ 1,700 | $ 1,700 |
| Member's Equity | 12,292 | 15,831 |
| | $ 13,992 | $ 17,531 |

# Hangar 54 Pizza Franchising, LLC
## Statements of Operations
## Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| Revenues | | |
| License fees | $ 16,343 | $ 12,352 |
| Operating Expenses | | |
| Professional fees | 27,581 | 27,202 |
| Taxes and licenses | 1,701 | 1,501 |
| Credit card fees | 600 | 599 |
| Total operating expenses | 29,882 | 29,302 |
| Net Loss | $ (13,539) | $ (16,950) |

# Hangar 54 Pizza Franchising, LLC
## Statements of Member's Equity
## Years Ended December 31, 2023 and 2022

| | Member's Equity |
|---|---|
| Balance, December 31, 2021 | $ 2,781 |
| Net loss | (16,950) |
| Member contributions | 30,000 |
| Balance, December 31, 2022 | 15,831 |
| Net loss | (13,539) |
| Member contributions | 10,000 |
| Balance, December 31, 2023 | $ 12,292 |

# Hangar 54 Pizza Franchising, LLC
## Statements of Cash Flows
## Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| Operating Activities | | |
| Net loss | $ (13,539) | $ (16,950) |
| Changes in assets and liabilities | | |
| Receivables | (220) | (3,653) |
| Net Cash used for Operating Activities | (13,759) | (20,603) |
| Financing Activities | | |
| Member contributions | 10,000 | 30,000 |
| Net Change in Cash | (3,759) | 9,397 |
| Cash, Beginning of Year | 13,878 | 4,481 |
| Cash, End of Year | $ 10,119 | $ 13,878 |

## Note 1 - Principal Business Activity and Significant Accounting Policies

### Principal Business Activity

Hangar 54 Pizza Franchising, LLC (the Company) was formed on September 15, 2020, under the laws of the State of Delaware and will continue perpetually until dissolution. The Company's purpose is owning, operating, and selling Hangar 54 Pizza franchises. The Company sells "BWB" franchises. "BWB" or "business within a business" is a franchise for the operation of Hangar 54 Pizza restaurants inside an existing business, such as a convenience store or grocery store. The Company does not charge the franchisees an initial startup fee for this type of franchise. The Company had 128 and 104 existing franchisees as of December 31, 2023 and 2022, respectively. The company awarded 33 new franchisees in 2023 and 66 new franchisees in 2022. The company closed 9 and 7 franchises in 2023 and 2022, respectively.

### Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2023 and December 31, 2022, the Company had approximately $0 in excess of FDIC-insured limits.

### Receivables and Credit Policy

The Company states its accounts receivable balance at the amount management expects to be collectible, and the balance in the current year consists entirely of quarterly license fees due from Pro Food Systems, Inc., an affiliate (see Note 4, Related Party Transactions). The Company expects this balance to be fully collectible. As such, no allowance for credit loss is required. If any accounts do become uncollectible, they will be charged to operations as appropriate.

### Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the member in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2023 and 2022, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

### Revenue Recognition

License fee revenue is considered to be a sales-based royalty that is recognized over time as the franchisee receives the benefits from the products sold by Pro Food Systems, Inc. to the franchisee. Generally, the license fee revenue is billed and collected quarterly in arrears. The Company collected 0.50% of Pro Food Systems Inc.'s net sales to the franchisees for license fees for the years ended December 31, 2023 and 2022.

**Estimates**

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

**Subsequent Events**

The Company has evaluated subsequent events through February 29, 2024, the date which the financial statements were available to be issued.

## Note 2 - Adoption of ASC 326 – Financial Instruments – Credit Losses

As of January 1, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables, and held to maturity debt securities. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The update also requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a write-down of the security. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Company adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after January 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of the new standard did not materially impact the Company's financial statements.

## Note 3 - Revenue

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31, 2023 and 2022:

| | 2023 | 2022 |
|---|---|---|
| Revenue Recognized over Time | $ 16,343 | $ 12,352 |
| Total revenue from contracts with customers | $ 16,343 | $ 12,352 |

Revenue from performance obligations satisfied over time consists of license fees received from Pro Food Systems, Inc.

The beginning and ending balances for accounts receivable was as follows for the years ended December 31, 2023 and 2022:

| | 2023 | |
|---|---|---|
| | January 1 | December 31 |
| Accounts Receivable | $ 3,653 | $ 3,873 |

| | 2022 | |
|---|---|---|
| | January 1 | December 31 |
| Accounts Receivable | $ - | $ 3,653 |

## Note 4 - Related Party Transactions

Pro Food Systems, Inc. is the parent company of Hangar 54 Pizza Franchising, LLC. The related party transactions between The Company and its parent company can be summarized as follows:

| | 2023 | 2022 |
|---|---|---|
| Reimbursements to parent company for credit card transactions | $ 20,405 | $ 13,700 |
| Amount due to parent company for credit card transactions | 1,700 | 1,700 |
| Royalties received from the parent company | 16,343 | 12,352 |
| Royalties receivable from the parent company | 3,873 | 3,653 |

## Note 5 - Concentrations

**Customer Concentration**

Pro Food Systems, Inc. accounted for 100% of revenues for the years ended December 31, 2023 and 2022. See also Note 4 for Related Party Transactions.

Financial Statements
December 31, 2022 and 2021

# Hangar 54 Pizza Franchising, LLC

Independent Auditor's Report ..... 1

Financial Statements

Balance Sheets ..... 3
Statements of Operations ..... 4
Statements of Member's Equity ..... 5
Statements of Cash Flows ..... 6
Notes to Financial Statements ..... 7

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CPAs & BUSINESS ADVISORS

**Independent Auditor's Report**

To the Member
Hangar 54 Pizza Franchising, LLC
Holts Summit, Missouri

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Hangar 54 Pizza Franchising, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hangar 54 Pizza Franchising, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hangar 54 Pizza Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hangar 54 Pizza Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hangar 54 Pizza Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hangar 54 Pizza Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Eide Bailly LLP

Fargo, North Dakota
March 7, 2023

# Hangar 54 Pizza Franchising, LLC
## Balance Sheets
## December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Assets | | |
| Cash | $ 13,878 | $ 4,481 |
| Receivables | 3,653 | - |
| | $ 17,531 | $ 4,481 |
| Liabilities and Member's Equity | | |
| Current Liabilities | | |
| Due to related party | $ 1,700 | $ 1,700 |
| Member's Equity | 15,831 | 2,781 |
| | $ 17,531 | $ 4,481 |

# Hangar 54 Pizza Franchising, LLC
## Statements of Operations
## Years Ended December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Revenues | | |
| License fees | $ 12,352 | $ - |
| Operating Expenses | | |
| Professional fees | 27,202 | 25,364 |
| Taxes and licenses | 1,501 | 1,680 |
| Credit card fees | 599 | 175 |
| Total operating expenses | 29,302 | 27,219 |
| Net Loss | $ (16,950) | $ (27,219) |

See Notes to Financial Statements

# Hangar 54 Pizza Franchising, LLC
## Statements of Member's Equity
## Years Ended December 31, 2022 and 2021

| | Member's Equity |
|---|---|
| Balance, December 31, 2020 | $ 10,000 |
| Net loss | (27,219) |
| Member contributions | 20,000 |
| Balance, December 31, 2021 | 2,781 |
| Net loss | (16,950) |
| Member contributions | 30,000 |
| Balance, December 31, 2022 | $ 15,831 |

# Hangar 54 Pizza Franchising, LLC
## Statements of Cash Flows
## Years Ended December 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| Operating Activities | | |
| Net loss | $ (16,950) | $ (27,219) |
| Changes in assets and liabilities | | |
| Receivables | (3,653) | - |
| Due to related party | - | 1,700 |
| Net Cash used for Operating Activities | (20,603) | (25,519) |
| Financing Activities | | |
| Member contributions | 30,000 | 20,000 |
| Net Change in Cash | 9,397 | (5,519) |
| Cash, Beginning of Year | 4,481 | 10,000 |
| Cash, End of Year | $ 13,878 | $ 4,481 |

## Note 1 - Principal Business Activity and Significant Accounting Policies

### Principal Business Activity

Hangar 54 Pizza Franchising, LLC (the Company) was formed on September 15, 2020, under the laws of the State of Delaware and will continue perpetually until dissolution. The Company's purpose is owning, operating, and selling Hangar 54 Pizza franchises. The Company sells "BWB" franchises. "BWB" or "business within a business" is a franchise for the operation of Hangar 54 Pizza restaurants inside an existing business, such as a convenience store or grocery store. The Company does not charge the franchisees an initial startup fee for this type of franchise. The Company had 104 and 45 existing franchisees as of December 31, 2022 and 2021, respectively. The company awarded 66 new franchisees in 2022 and 45 new franchisees in 2021. The company closed 7 and 0 franchises in 2022 and 2021, respectively.

### Concentrations of Credit Risk

The Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

### Receivables and Credit Policy

The Company states its accounts receivable balance at the amount management expects to be collectible, and the balance in the current year consists entirely of quarterly license fees due from Pro Food Systems, Inc., an affiliate (see Note 3, Related Party Transactions). The Company expects this balance to be fully collectible. As such, no allowance for doubtful accounts is required. If any accounts do become uncollectible, they will be charged to operations as appropriate.

### Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the member in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2022 and 2021, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

### Revenue Recognition

License fee revenue is considered to be a sales-based royalty that is recognized over time as the franchisee receives the benefits from the products sold by Pro Food Systems, Inc. to the franchisee. Generally, the license fee revenue is billed and collected quarterly in arrears. The Company collected 0.50% of Pro Food Systems Inc.'s net sales to the franchisees for license fees for the years ended December 31, 2022.

**Estimates**

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

**Subsequent Events**

The Company has evaluated subsequent events through March 7, 2023, the date which the financial statements were available to be issued.

## Note 2 - Revenue

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Revenue recognized over time | $ 12,352 | $ - |
| Total revenue from contracts with customers | $ 12,352 | $ - |

Revenue from performance obligations satisfied over time consists of license fees received from Pro Food Systems, Inc.

The beginning and ending balances for accounts receivable was as follows for the years ended December 31, 2022 and 2021:

| | 2022 | |
|---|---|---|
| | January 1 | December 31 |
| Accounts receivable | $ - | $ 3,653 |

| | 2021 | |
|---|---|---|
| | January 1 | December 31 |
| Accounts receivable | $ - | $ - |

## Note 3 - Related Party Transactions

Pro Food Systems, Inc. is the parent company of Hangar 54 Pizza Franchising, LLC. The related party transactions between The Company and its parent company can be summarized as follows:

| | 2022 | 2021 |
|---|---|---|
| Reimbursements to parent company for credit card transactions | $ 13,700 | $ 18,680 |
| Amount due to parent company for credit card transactions | 1,700 | 1,700 |
| Royalties received from the parent company | 12,352 | - |
| Royalties receivable from the parent company | 3,653 | - |

## Note 4 - Concentrations

**Customer Concentration**

Pro Food Systems, Inc. accounted for 100% of revenues for the years ended December 31, 2022. See also Note 3 for Related Party Transactions.

**EXHIBIT F**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**LIST OF FRANCHISEES AND OUTLETS**

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| LIST OF FRANCHISEES AND OUTLETS | | | | | | |
|---|---|---|---|---|---|---|
| **NAME** | **ADDRESS** | **CITY** | **STATE** | **ZIP** | **FRANCHISEE** | **PHONE** |
| Robert's Grocery (Taylor) | 5192 West State Hwy 52 | Taylor | AL | 36305 | Eric Crowder | (334) 301-2426 |
| White Oak MOARK #18 | 102 Passion Play Rd | Eureka Springs | AR | 72632 | Christy Howard | (870) 577-3432 |
| Resort Convenience Beer and Wine | 15344 Hwy16 East | Fairfield Bay | AR | 72088 | Ed Horseman | (501) 723-4437 |
| White Oak #13 | 101 E. Main St. | Green Forest | AR | 72638 | Christy Howard | (870) 57703432 |
| Fuel B's (Calhan) | 23580 Hwy 94 | Calhan | CO | 80808 | Jazbinder (Jazzy) Kahlon | 719-573-4200 |
| NISHA RETAIL Inc | 496 North Avenue | Athens | GA | 30601 | Sam Zaman | (678) 732-4577 |
| Royal Seven 10 | 2790 E McIntosh | Griffin | GA | 30224 | Tushar Patel | (678) 938-5173 |
| Lake Hartwell Store | 1475 Reed Creek Hwy | Hartwell | GA | 30643 | Asif Lakhani | (706) 376-4088 |
| Port Fuel Center (Port Wentworth) | 5712 GA HWY 21 | Port Wentworth | GA | 31407 | Jared Jordan | (912) 298-0000 |
| BP/Kwik Stop | 1215 East 16th Street | Dubuque | IA | 52001 | Gary Grafft | (563) 557-5180 |
| Big G Foods | 310 W Dillon Street | Merengo | IA | 52301 | Lori Thielen | (319) 642-5551 |
| Community Oil Co. | 910 10th St. | Rock Valley | IA | 51247 | Jerry Kelderman | (712) 476-2172 |
| Pit Stop Grill | 232 N Highway 77 | Declo | ID | 83323 | Deep Singh | Pit Stop Grill |
| Dubois Travel Stop | 424 W Main St | Dubois | ID | 83423 | Deep Singh | Dubois Travel Stop |
| Dad's Travel Centers | 3607 North Yellowstone | Idaho Falls | ID | 83401 | Heber Andrus | (208) 533-6704 |
| Orofino Marketplace | 1130 Michigan Ave | Orofino | ID | 83544 | Corey Watson | (509) 292-2253 |
| Lakeside Liquor & Gas | 2610 12th Street | Carlyle | IL | 62231 | Sunny Tut | 618-594-6344 |
| Highland Liquor and Food Mart Inc | 213 Walnut Street | Highland | IL | 62249 | Sunny Tut | (618) 654-3233 |
| Jump Start #20 (Mulvane) | 1228 SE Louis Drive | Mulvane | KS | 67110 | Ben Wilsey | (316) 796-0599 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Jump Start #19 (Newton) | 1823 N. Main Street | Newton | KS | 67114 | Ben Wilsey | 316-333-8021 |
| Snak Atak #2 | 3201 N Rouse Rd | Pittsburg | KS | 66762 | Moe Shah | 816-294-5633 |
| Jump Start #9 (South Haven) | 822 E. 160th Street S. | South Haven | KS | 67140 | Ben Wilsey | NULL |
| Wamego Store LLC | 403 Spruce Street | Wamego | KS | 56310 | Moe Shah | 816-294-5633 |
| Clark's Pump-N-Shop – Westwood | 1805 Main Street | Ashland | KY | 41102 | Jessica Russell | (606) 325-1416 |
| Clark's Pump N Shop #49 (Greenhills) | 373 St Rt. 716 | Ashland | KY | 41102 | Jessica Russell | (606) 928-4455 |
| Clark's Pump N Shop #32 (Burnaugh) | 28585 US 23 | Catlettsburg | KY | 41129 | Jessica Russell | (606) 739-6055 |
| Clark's Pump N Shop #2 (Catlettsburg) | 900 Center Street | Catlettsburg | KY | 41129 | Jessica Russell | (606) 739-6181 |
| Flying Horse (Edmonton) | 1840 Greensburg Rd | Edmonton | KY | 42129 | Sandeep Singh | (270) 272-2823 |
| Clark's Pump N Shop #88 (Frankfort) | 100 Isaac Shelby Cir West | Frankfort | KY | 40601 | Jessica Russell | 606-286-0264 |
| Clark's Pump N-Shop #72 (Greenup) | 1233 KY 10 | Greenup | KY | 41144 | Jessica Russell | 606-286-0264 |
| Clark's Pump N Shop #83 (Georgetown) | 2001 Paris Pike | Georgetown | KY | 40324 | Jessica Russel | (606) 286-0264 |
| Clark's Pump-N-Shop #82 (Georgetown) | 381 Cherry Blossom Spur | Georgetown | KY | 40324 | Jessica Russell | 502-642-4479 |
| Clark's Pump N Shop #3 (Greenup) | 1024 Seaton Avenue | Greenup | KY | 41144 | Jessica Russell | (606) 286-0264 |
| Clark's Pump N Shop #57 (Winchester) | 922 Detroit Ave | Lexington | KY | 40505 | Jessica Russell | (859) 469-9044 |
| Clarke's Pump N Shop #59 (Versailles) | 1419 Versailles Rd | Lexington | KY | 40504 | Jessica Russell | (606) 286-0264 |
| Clark's Pump N Shop #53 (Clays Mill Rd) | 3334 Clays Mill Road | Lexington | KY | 40503 | Jessica Russell | (606) 286-0264 |
| Clark's Pump N Shop #76 (Downtown Market) | 529 W Main St | Lexington | KY | 40507 | Jessica Russell | 606-286-0264 |

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|---|---|---|---|---|---|---|
| Clark's Pump N Shop #79 (Sandersville Rd) | 2670 Sandersville Rd | Lexington | KY | 40511 | Jessica Russell | 606-286-0264 |
| Clark's Pump N Shop #77 (Midway) | 300 Lacefield St | Midway | KY | 40347 | Jessica Russell | 606-286-0264 |
| Clark's Pump N Shop #78 (Bethel) | 100 Bethel Harvest Drive | Nicholasville | KY | 40356 | Jessica Russell | 606-286-0264 |
| Clark's Pump-N-Shop #56 Olive Hill | 10824 West US 60 | Olive Hill | KY | 41164 | Jessica Russell | 606-286-0264 |
| Paris BP | 101 Corporate Way | Paris | KY | 40361 | Hardy Patel | 859-987-3666 |
| Clark's Pump N Shop #40 (South Shore) | 28248 US 23 | South Shore | KY | 41175 | Jessica Russell | (606) 286-0264 |
| Clark's Pump N Shop #81 (Winchester) | 201 N Main St. | Winchester | KY | 40391 | Jessica Russell | (606) 286-0264 |
| Spencer Chevron DBA Simpson's One Stop | 378 Hwy 2 E | Sterlington | LA | 71280 | Darren "Kerry" Hill | (318) 726-6706 |
| Northdale Oil Corporation (Carlos) | 8170 State Highway 29 N | Alexandria | MN | 56308 | Todd Busche | (218) 681-3546 |
| Northdale Oil Corporation (Alexandria) | 610 McKay Ave S | Alexandria | MN | 56308 | Todd Busche | (218) 681-3546 |
| Bagley Co-op (Cenex) | 1309 Central Street SW | Bagley | MN | 56621 | Kyle Crist | 218-694-6228 |
| Northdale Oil Corporation (Barrett) | 101 Hawkins | Barrett | MN | 56311 | Melissa Myron | (218) 943-3333 |
| Mel's Corner | 19498 1st St S | Blomkest | MN | 56216 | Moe Shah | 816-294-5633 |
| Northdale Oil Corporation (Elbow Lake) | 15 2nd Street NE | Elbow Lake | MN | 56531 | Todd Busche | (218) 681-3546 |
| Northdale Oil | 702 N. Mill Street | Fertile | MN | 56540 | Josh White | 218-945-6161 |
| Northdale Oil Corporation (Glenwood) | 237 Minnesota Ave W | Glenwood | MN | 56334 | Todd Busche | (218) 681-3546 |
| Lakeville Amoco | 8333 210th St W | Lakeville | MN | 55044 | Rick Bohnen | (952) 255-8413 |
| Eagle Lake Market | 9601 63rd Ave N | Maple Grove | MN | 55369 | Laura Read | (320)356-7512 |
| Northdale Oil Corporation (Miltona) | 4350 County Road 14 NE | Miltona | MN | 56354 | Todd Busche | (218) 681-3546 |

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|---|---|---|---|---|---|---|
| Northdale Oil Corporation (Osakis) | 300 W Nokomis Street | Osakis | MN | 56360 | Todd Busche | (218) 681-3546 |
| Northdale Oil Corporation (Sauk Center) | 321 Main Street North | Sauk Centre | MN | 56378 | Todd Busche | (218) 681-3546 |
| Northdale Oil – Petro | 17107 US Hwy 59 NE | Thief River Falls | MN | 56701 | Todd Busche | (218) 773-4345 |
| Yoss Thriftway 891 | Business 71 & Hazel | Adrian | MO | 64720 | Kip Yoss | 816-297-4120 |
| USA MO #201 (Branson) | 200 State Hwy F | Branson | MO | 65616 | Christy Howard | (870) 577-3432 |
| MOSER'S FOODS #4 (New Build) | 4420 Faurot Drive | Columbia | MO | 65203 | Roger Moser | (573) 642-9145 |
| MNP Doniphan East | 3835 Hwy 142 East | Doniphan | MO | 63935 | Jeralyn Goodman | 573-996-4123 |
| MNP Doniphan | 92 South Hwy 21 | Doniphan | MO | 63935 | Jeralyn Goodman | (573) 714-5869 |
| MNP (Ellsinore) | 1 East Cleveland Ave | Ellsinore | MO | 63937 | Jeralyn Goodman | (573) 714-5869 |
| Wayside Eureka | 5150 State Rt 109 | Eureka | MO | 63025 | Janet Groom | (636) 549-3032 |
| MNP Harviell | 10168 Hwy 160 | Harviell | MO | 63945 | Jeralyn Goodman | 573-989-1921 |
| Yoss Brothers Market #892 | 1200 East 10th Street | Holden | MO | 64040 | Kip Yoss | (816) 297-4120 |
| Bullseye #34 | 101 W Hwy 64 | Pittsburg | MO | 65724 | Derrick Underwood | (417) 852-4488 |
| MNP Midtown | 900 Pine Street | Poplar Bluff | MO | 63901 | Jeralyn Goodman | 573-872-4286 |
| MNP Qulin | 13726 Hwy 53 | Qulin | MO | 63961 | Jeralyn Goodman | 573-328-5002 |
| Express Mart | 35 Shawnee Four Drive | Sunrise Beach | MO | 65079 | Jeff Mesplay | (636) 464-5266 |
| Bullseye #37 | 8374 W FARM RD 68 | Willard | MO | 65781 | Derrick Underwood | (417) 881-3161 |
| Glaciers Family Foods | 601 SE Boundary St | Browning | MT | 59417 | Dori Johnson | (406) 338-7283 |
| Catamount Travel Center #1 | 4776 Little Savannah Rd | Cullowhee | NC | 28723 | Jamie Winchester | (828) 497-0800 |
| Duck Thru #59 - Greenville | 3921 Bell Arthur Rd | Greenville | NC | 27834 | Michael Harrell | (252) 332-2131 |
| Duck Thru #41 Hertford | 964 Ocean Hwy South | Hertford | NC | 27944 | Michael Harrell | 252-332-2131 |
| Catamount Travel Center #2 | 3385 US-441 | Whitter | NC | 28789 | Jamie Winchester | (828( 497-0800 |

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|---|---|---|---|---|---|---|
| Town and Country - Cooperstown | 102 9th St SE | Cooperstown | ND | 58425 | Dirk Schumacher | (701) 797-3103 |
| Gordy's Casselton | 15556 37th Street | Casselton | ND | 58012 | Gary Gunderson | (701) 347-4586 |
| Northdale Oil (Grand Forks) | 4400 32nd Ave S | Grand Forks | ND | 58201 | Todd Busche | (218) 681-3546 |
| Barney's C Store | 700 W. Main St | Mandan | ND | 58554 | Clay Ulrich | (701) 663-5566 |
| Red Trail Petro | 2511 Old Red Trail NW | Mandan | ND | 58554 | Clay Ulrich | (701) 663-8668 |
| Rud's I-94 Mobil | 1310 N 8th St. | New Salem | ND | 58563 | Brent Rud | (701) 843-7508 |
| Oakes Convenience, LLC d/b/a Tornado Stop | 617 Main Ave | Oakes | ND | 58474 | Matt Hill | (701) 742-2419 |
| Peterson's Supermarket, Inc | 718 4th Street | Gothenburg | NE | 69138 | Steve Peterson | 308-537-2048 |
| Friendly Express 5 | 655 US Rt 250 | Ashland | OH | 44805 | Ryan Kane | (419) 368-5263 |
| Friendly Express #6 | 910 US 250 RT 5 | ASHLAND | OH | 44805 | Ryan Kane | (330) 983-9238 |
| Friendly Express 4 | 363 31st Street NW | Barberton | OH | 44203 | Ryan Kane | (330) 983-9238 |
| SEL Properties of Genoa, LLC | 22210 OH-51 | Genoa | OH | 43430 | Kim McClung | 419-350-9057 |
| Clark's Pump N Shop #19 (McArthur) | 301 S. Market St | McArthur | OH | 45651 | Jessica Russell | (606) 286-0264 |
| Fort Sill Apache Hospitality LLC DBA Apache Market | 15179 OK 9 | Anadarko | OK | 73005 | Brian Ross | 580-483-0199 |
| Pardners Antlers | 807 West Main St | Antlers | OK | 74523 | Malik Lakhani | (580) 298-5306 |
| Stavam LLC (Daily Stop) | 19401 N Portland Ave | Edmond | OK | 73012 | Nehal Desai | (405) 340-0780 |
| Push 'Em Station | 5414 US 70 | Mead | OK | 73439 | Deep Dhaluwal | (903) 786-4042 |
| Crater Lake Junction Travel Center LLC | 34315 Hwy 97 N | Chiloquin | OR | 97624 | Sharon Jackson | (541) 783-9800 |
| Royal Mart #107 | 652 HWY 20 N | Hines | OR | 97738 | Raad Tadros | (503) 661-1244 |
| TA Huntington | 5945 US Hwy 30 | Huntington | OR | 97907 | Deep Singh | (541) 869-2301 |
| St. Helen's Fuel & Go Inc. | 11134 NW St Helens Rd | Portland | OR | 97231 | Deep Singh | (360) 567-9077 |

| | | | | | | |
|---|---|---|---|---|---|---|
| SAC #506 (LINCOLN BEDFORD) | 6934 Lincoln Highway | Bedford | PA | 13322 | John Logue | (814) 977-8212 |
| Split Rock (Bauer) | 600 N SPLITROCK BLVD | BRANDON | SD | 57005 | Dan Bauer | (605) 275-1008 |
| Olson Fuels | 12600 US Hwy 85 | Buffalo | SD | 57720 | Devin McGarth | (605) 391-4947 |
| Four Hills | 2800 E Marson Drive | Sioux Falls | SD | 57103 | Dan Bauer | (605) 275-1008 |
| Bo's at Indian River Marina (Bo's Place 3 LLC) | 740 Indian River Boat Dock Rd | Jacksboro | TN | 37757 | Marv Leeck | (423) 566-1288 |
| Bellevue Convenience, Inc | 1335 S Bellevue Blvd | Memphis | TN | 38106 | Bahroz Cotardia | 901-343-0585 |
| Hwy 31W Marketplace | 2329 Hwy 31W | White House | TN | 37188 | Vasudev Saumil Patel | 731-514-7426 |
| Halftime | 919 State 46 Hwy | Bergheim | TX | 78004 | Karim Ali | (210) 960-5540 |
| Gilliam’s Grocery | 431 West Commerce | Buffalo | TX | 75831 | Mitchell Davis | 903-322-4904 |
| Fuel Maxx #26 | 14815 FM 787 | Cleveland | TX | 77327 | Rafiq Momin | 281-891-5196 |
| Copperfield Food Store LLC (Buy Buy) | 3500 Harvey Rd | College Station | TX | 77845 | Samir Ali | (979) 422-1440 |
| Amigos Country Corner | 1415 Farm to Market Rd 609 | Flatonia | TX | 78941 | Ali Mavani | (480) 529-0253 |
| Garrison Food Mart (Groom) | 203 FM 2300 | Groom | TX | 79039 | Greg Hendricks | 806-248-0100 |
| Best Stop #12 | 25715 FM 2100 | Huffman | TX | 77336 | Sohil Karolia | 281-323-9454 |
| Bigs C Store | 7678 E. US 290 | Johnson City | TX | 78636 | Zoolfikar Momin | (830) 868-0506 |
| Speedy Express #43 | 1000 FM 1764 | La Marque | TX | 77568 | Kashif Kavani | (832) 781-4398 |
| Rise N Run 31 (SSP Cstore 31 LLC ) | 3496 Spring Valley Road | Lorena | TX | 76655 | Balkrishna (Chris) Baniya | 18326385594 |
| Big's #3825 | 3889 US Hwy 69 | Lufkin | TX | 75904 | Karim Ali | (210) 960-5540 |
| Exxpress Mart #14 | 383 N. LHS Drive | Lumberton | TX | 77657 | Mark Gresham | (409) 835-2237 |
| Slammin 4 | 13720 Hwy 36 S | Lyons | TX | 77863 | Dustin Knesek | 979-596-3600 |
| Bowie's, LLC | 1692 N US Hwy 83 | Menard | TX | 76859 | Tyson Roll | (325) 396-5330 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Big's #107 | 35830 FM 3159 | New Braunfels | TX | 78132 | Karim Ali | (830) 885-5250 |
| Big's #210 | 25580 Blanco Rd | San Antonio | TX | 78260 | Karim Ali | (210) 960-5540 |
| Get N Go #201 | 708 N US HWY 77 | Schulenburg | TX | 78956 | Shamsuddin Maredia | (979) 229-8435 |
| Bowie's Tuscola, LLC. | 3049 Hwy 83/84 | Tuscola | TX | 79562 | Alan Peters | 432-638-3632 |
| Trenis Fuel | 3390 Catlett Road | Catlett | VA | 20119 | Mat Oleson | (540) 788-9023 |
| Elk Mound Store LLC. | N5698 850th ST | Elk Mound | WI | 54739 | Moe Shah | 816-294-5633 |
| PIT STOP 14 | 221 N 10th St | Worland | WY | 82401 | Mike Bailey | (307) 851-5171 |

**LIST OF FRANCHISE AGREEMENTS SIGNED, NOT YET OPEN**
**AS OF DECEMBER 31, 2023**

| NAME | ADDRESS | CITY | STATE | ZIP | PHONE |
|---|---|---|---|---|---|
| Robert's Grocery (New Brockton) | 270 S Tyler Street | New Brockton | AL | 36351 | 334-301-2426 |
| Clark's Pump N Shop #87 (Lucille) | 112 Lucille Dr | Lexington | KY | 40511 | 606-286-0264 |
| Barnesville Cenex | 619 FRONT STREET | BARNESVILLE | MN | 56514 | 218-354-2139 |
| Hwy K Retail LLC Snak Atak #9 | 1113 Northwest Hwy 50 | Knob Noster | MO | 65336 | 816-294-5633 |
| Fic's Plaza | 1220 N Main St | Deer Lodge | MT | 59722 | 406-846-3970 |
| Irrigon Express Stop LLC | 420 E HWY 730 | IRRIGON | OR | 97844 | (360) 567-9077 |
| Rock Energy SD | 101 Main St | McLaughlin | SD | 57642 | 701-425-5444 |
| Fuel Maxx #68 | 10505 HWY 36 W | Wallis | TX | 77485 | 281-891-5196 |
| Fuel Maxx #53 | 29442 Hwy 6 | Hempstead | TX | 77445 | 979.710.6186 |
| Fuel Maxx #58 | 12295 FM 1097 WEST | Willis | TX | 77318 | 281-891-5196 |
| Fuel Maxx #85 | 17123 FM 362 | Waller | TX | 77484 | 281-891-5196 |
| Fuel Maxx #86 | 3305 Hwy 90 | Crosby | TX | 77532 | 281-891-5196 |

| | | | | | |
|---|---|---|---|---|---|
| Rockingham Petroleum - Broadway | 100 Main Street | Broadway | VA | 22815 | 540-434-4321 |
| Willard Road Mart INC | 4475 CHANTILLY SHOPPING CENTER DR | Chantilly | VA | 20151 | 703-263-7373 |
| Van Mall 76 | 4905 NE 94th Ave | Vancouver | WA | 98662 | (360) 567-9077 |
| End of the Trail | 18101 Anderson Rd SW | Oakville | WA | 98568 | 360-858-7760 |
| Fayette Convenience Center | 77 Hinkle Road | Fayetteville | WV | 25840 | 304-574-1286 |

| **LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2023** | | | | | |
|---|---|---|---|---|---|
| **NAME** | **ADDRESS** | **CITY** | **STATE** | **ZIP** | **PHONE** |
| MNP Essex | 106 Hwy 114 | Essex | MO | 63846 | 573-714-5869 |
| MNP (Green Forest) | 2605 Township Line Road | Poplar Bluff | MO | 63901 | 573-714-5869 |
| United Quality Cooperative (1st St, New Town) | 712 1st St N | New Town | ND | 58763 | (701) 862-3136 |
| United Quality C-Store West #301 | 209 Main St. | Keene | ND | 65661 | (701) 862-3136 |
| United Quality COOP Parshall | 3798 72nd Avenue | Parshall | ND | 65712 | (701) 862-3136 |
| Farmers Union Oil (Powers Lake) | 9045 Highway 50 | Powers Lake | ND | 56308 | (701) 464-5416 |
| ROY'S CARDINAL FOODS | 621 N Highway 2 | Wilburton | OK | 56308 | (918) 465-2452 |
| Roots Market #23 (at the Shell Station) ***(Transferred to Royal Mart #107)*** | 652 HWY 20 N | HINES | OR | 97738 | (503) 661-1244 |
| Bo's Place #3 (Former Owner) | 110 Alder Springs Road | La Follette | TN | 56311 | 423-566-1288 |
| Fayette Convenience Center | 77 Hinkle Road | Fayetteville | WV | 56531 | 304-574-1286 |

**EXHIBIT G**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**CONFIDENTIAL OPERATIONS MANUAL TABLE OF CONTENTS**

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# TABLE OF CONTENTS

DESCRIPTION PAGE NUMBER
TABLE OF CONTENTS ..... 1
MANUAL PURPOSE ..... 3

**PREPARATION PROCEDURES 5**
HEATING CHART ..... 6
HOLD TIME CHART ..... 7
BOIL-IN-BAG PROCEDURES ..... 10
COLD SIDES PROCEDURES ..... 11
RE-USE & LEFTOVER PROCEDURES ..... 12
STORE OPENING PROCEDURES ..... 13
STORE CLOSING PROCEDURES ..... 13

**SERVICE 16**
PORTIONING ..... 17
PREP TABLE LAYOUT ..... 19
COOKED PIZZA ITEMS PREPERATION ..... 20
BREAKFAST PREPARATION INSTRUCTIONS ..... 21
HOW TO BUILD BREAKFAST BURRITO MIX ..... 22
BREAKFAST PIZZA PREPERATION ..... 23
BREAKFAST BURRITO BUILD ..... 24
BREAKFAST SANDWICH BUILD ..... 25
BISCUITS & GRAVY BUILD ..... 26
PIZZA PORTIONING QUICK REFERENCE GUIDE ..... 28
PEPPERONI PIZZA BUILD ..... 29
OTHER SINGLE TOPPING BUILD ..... 30
SPECIALTY CHICKEN BUILD ..... 31
ADDITIONAL PIZZA BUILDS ..... 32
GLUTEN FRIENDLY ..... 35
TAKE & BAKE PIZZA BUILD ..... 36

**PRODUCT INFORMATION 38**
PAR LEVEL CHART ..... 39
PRODUCT SHELF LIFE ..... 41
PORTIONS PER CASE ..... 42
VEGETABLE SPECIFICATION ..... 43
REPORTING QUALITY ISSUES ..... 45

**FOOD SAFETY 46**
THE FLOW OF FOOD ..... 47
SAFE FOOD HANDLING ..... 52

**SANITATION 53**
CLEANING AND SANITIZING ..... 54
PROPER HANDWASHING ..... 56

**EQUIPMENT 57**
ALTO SHAM OVEN PROCEDURES ..... 58
COUNTERTOP PIZZA WARMER PROCEDURES ..... 59
COLD PREPERATION TABLE PROCEDURES ..... 60
TAKE & BAKE HEAT SEALER PROCEDURES ..... 61

**LOGS 63**
TIME-TEMP LOG ..... 64
DAILY WASTE LOG ..... 65

**EXHIBIT H**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**FORM OF RELEASE, ESTOPPEL, COVENANT NOT TO SUE, AND INDEMNIFICATION**

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## RELEASE, ESTOPPEL, COVENANT NOT TO SUE, AND INDEMNIFICATION

### PRELIMINARY NOTE

**This Exhibit H contains our form of release, estoppel, covenant not to sue, and indemnification provisions. These provisions may be printed in bold print, and will be modified as reasonably necessary and included in the applicable agreement**.

### FORM OF AGREEMENT

1. Release; Estoppel; Covenant Not to Sue; Indemnification.

1.1 Release. Franchisee, for itself and its affiliates, and for its and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, together with Principals, [Transferor, and Transferee,] and further together with and for the predecessors, successors, heirs, and assigns of any and all of the foregoing (collectively, the "Releasing Parties"), hereby release, remise, acquit, and forever discharge Hangar 54 Pizza and its officers, members, employees, agents, and attorneys, and Hangar 54 Pizza's affiliates and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Effective Date of this Agreement: (i) the Franchise Agreement; (ii) any and all other Hangar 54 Pizza license agreements and franchise agreements between Hangar 54 Pizza and any of the Releasing Parties; (iii) any and all Hangar 54 Pizza restaurants owned, opened, operated, or closed by Franchisee or any of the other Releasing Parties; (iv) [such other matters as Hangar 54 Pizza deems appropriate]; and (v) the business relationship between any or all of the Parties Released on the one hand, and any or all of the Releasing Parties on the other hand; including, without limitation, the Hangar 54 Pizza franchise offering, the Hangar 54 Pizza franchise offering documents, the offer and sale of the Hangar 54 Pizza franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Hangar 54 Pizza franchise and the Hangar 54 Pizza franchise offering.

1.1.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 1.1 of this Agreement to any third party.

1.1.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 1.1 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 1.1 of this Agreement, this Section 1.1 shall be a complete and conclusive defense thereto.

1.2 Estoppel.

1.2.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that:

1.2.1.1 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any breach of the Franchise Agreement or any other

agreement or document related to the Franchised Business, which other documents include, without limitation, the Franchise Disclosure Document that Hangar 54 Pizza delivered to Franchisee, as prospective Franchisee, which delivery was due and proper in every respect;

1.2.1.2 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any violation of any constitution, statute, rule, regulation, ordinance, case law, or any other law; including, without limitation, the FTC Franchise Rule, [jurisdictions' franchise Laws or other relevant Laws], or otherwise, arising out of or related to the Franchised Business, the Restaurant, the Hangar 54 Pizza franchise offering, the Hangar 54 Pizza franchise offering documents, the offer and sale of the Hangar 54 Pizza franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Hangar 54 Pizza franchise and the Hangar 54 Pizza franchise offering; and

1.2.1.3 Neither the Parties Released, nor any of them, owes the Releasing Parties, or any of them, any obligation, debt, claim, demand, right, action, cause of action, loss, losses, damage, damages, expense, cost, liability, or liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arises out of or is related to, or that may hereafter arise out of or relate to, any matter that is within the scope of the Release set forth in Section 1.1 of this Agreement.

1.2.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in Section 1.1 or this Section 1.2 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in Section 1.1 or this Section 1.2 of this Agreement, this Section 1.2 shall be a complete and conclusive defense thereto.

1.3 Covenant Not to Sue. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them will: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 1.1 of this Agreement; (b) any matter that is within the ambit of such Release; (c) the Estoppel set forth in Section 1.2 of this Agreement; or (d) any matter that is within the ambit of such Estoppel.

1.4 Indemnification. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that they and the other Releasing Parties: (i) will indemnify the Parties Released for, and will hold harmless the Parties Released from, any breach of Sections 1.1, 1.2, or 1.3 of this Agreement; and (ii) will pay the amount of all losses and expenses arising out of or related to any breach of Sections 1.1, 1.2, or 1.3 of this Agreement so that the Party Released to which such payment is owed actually receives such payment by end of ten (10) days after demand therefor. Such losses and expenses shall include, without limitation, attorneys' fees and costs, including without limitation attorneys' fees and costs of appeal, and further including without limitation attorneys' fees and costs of collection. Each Party Released shall have the right to counsel such Party Released reasonably chooses. No Party Released will be required to seek recovery from any insurer, other third party, or otherwise, or to mitigate any loss and expense, to maintain and recover fully a claim under this Section 1.4. No failure to pursue such recovery or to mitigate a loss or expense will in any way reduce or alter the amounts any Party Released is entitled to recover. The obligations of [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and the other Releasing Parties under this Section 1.4: (a) shall be joint and several; and (b) shall be within the ambit of all guaranties made by [Franchisee's Principals] [Franchisee's Principals, Transferor, Transferor's

Principals, Transferee, Transferee's Principals], and other guarantors, all of which shall remain in full force and effect

**[WASHINGTON STATE FRANCHISEES: THIS RELEASE SHALL NOT APPLY TO CLAIMS ARISING UNDER THE FRANCHISE INVESTMENT PROTECTION ACT, CHAPTER 19.100 RCW, OR THE RULES ADOPTED THEREUNDER IN ACCORDANCE WITH RCW 10.100.220(2). AND SHOULD NOT BE SIGNED IF YOU RESIDE IN OR ARE OPERATING A FRANCHISE WITHIN THE STATE OF WASHINGTON].**

**HANGAR 54 PIZZA:**

By: Exhibit Only: Not for Execution at This Time

Title:

**FRANCHISEE:**

By: Exhibit Only: Not for Execution at This Time

Title:

**TRANSFEREE:**

By: Exhibit Only: Not for Execution at This Time

Title:

**PRINCIPAL:**

Exhibit Only: Not for Execution at This Time
Individually and as Principal

**PRINCIPAL:**

Exhibit Only: Not for Execution at This Time
Individually and as Principal

**PRINCIPAL:**

Exhibit Only: Not for Execution at This Time
Individually and as Principal

**EXHIBIT I**

**HANGAR 54 PIZZA FRANCHISING, LLC**

---

# HANGAR 54 PIZZA ACKNOWLEDGMENT STATEMENT

---

***NOT FOR USE IN CALIFORNIA***
***NOT FOR USE IN MARYLAND***

## HANGAR 54 PIZZA ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.**

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

7. Franchisee acknowledges that it has received the Hangar 54 Pizza Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE HANGAR 54 PIZZA FRANCHISING, LLC, PRO FOOD SYSTEMS, INC, AND ANY OF ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

**[WASHINGTON STATE FRANCHISEES: THIS STATEMENT DOES NOT WAIVE ANY LIABILITY THE FRANCHISOR MAY HAVE UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER. WASHINGTON FRANCHISEES SHOULD NOT SIGN THIS ACKNOWLEDGMENT STATEMENT]**

FRANCHISEE:

_____

By: _____

_____, _____
(Print Name, Title)

Date: _____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

## State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| State | Effective Date |
|---|---|
| California | December 21, 2023 |
| Illinois | Exempt |
| Indiana | Exempt |
| Maryland | PENDING |
| Michigan | Exempt |
| Minnesota | Exempt |
| North Dakota | May 7, 2024 |
| Rhode Island | June 26, 2024 |
| South Dakota | Exempt |
| Virginia | Exempt |
| Washington | PENDING |
| Wisconsin | Exempt |

**EXHIBIT J**

**HANGAR 54 PIZZA FRANCHISING, LLC**

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**DISCLOSURE DOCUMENT RECEIPTS**

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Receipt Pages

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hangar 54 Pizza offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hangar 54 Pizza does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is Hangar 54 Pizza Franchising, LLC, located at 120 Commerce Drive, Holts Summit, Missouri 65043. Its telephone number is (573) 896-2500.

Issuance Date: April 1, 2024

The name, principal address and telephone number of each franchise seller offer the franchise: _____

_____.

Hangar 54 Pizza authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated _____, that included the following Exhibits:

| | |
|---|---|
| A | Hangar 54 Pizza™ Franchise Agreement |
| B | Gold and Silver Addenda to Franchise Agreement |
| C | State Regulations and Requirements Addendum |
| D | State Administrators and Agents for Service of Process |
| E | Financial Statements |
| F | List of Franchisees and Outlets |
| G | Confidential Operations Manual Table of Contents |
| H | Form of Release, Estoppel, Covenant Not to Sue, and Indemnification |
| I | Hangar 54 Pizza Acknowledgment Statement |
| J | Disclosure Document Receipts |

Date Received: _____ DATE: _____

(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____

(Signature of recipient)

**YOUR COPY: RETAIN FOR YOUR RECORDS**

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Date Received: _____ DATE: _____

(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____

(Signature of recipient)

**OUR COPY: PLEASE SIGN, DATE, AND RETURN TO US**