

ITEM 21

FINANCIAL STATEMENTS

Attached as EXHIBIT G are our reviewed financial statements for Rod Works Inc. from January 1, 2016 to December 31, 2018. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

The following agreements related to a ROD WORKS Business are attached as Exhibits to this Disclosure Document:

Franchise Agreement	<u>Exhibit A</u>
General Release	<u>Exhibit F</u>
Nondisclosure and Noninterference Agreement	<u>Exhibit 3 to Franchise Agreement</u>
Guaranty and Subordination	<u>Exhibit 2 to Franchise Agreement</u>

We provide no other contracts or agreements for your signature.

ITEM 23

RECEIPTS

Exhibit J of this Disclosure Document has 2 detachable receipts attached. Please sign and date each of them as of the date you received this Disclosure Document and return one copy to us.

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 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 Mark Tuttle, 4275 Thanksgiving Way Suite 200, Lehi, Utah 84043 (801) 768-2315), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEM WIDE OUTLET SUMMARY FOR YEARS 2016 TO 2018				
Outlet Type	<u>Year</u>	ets at the Start of the Year	ets at the End of the Year	Net Change
Franchised	2016	4	5	1
	2017	5	6	1
	2018	6	6	0
Company Owned	2016	6	5	(1)
	2017	5	5	0
	2018	5	5	0
Total Outlets*	2016	10	10	0
	2017	10	11	1
	2018	11	11	0

* This chart includes both franchised and company-owned Rod Works businesses. Company-owned outlets are owned by Rod Works Inc and have not signed franchise agreements. Company-owned outlets do not pay Royalty Fees, but may make Marketing Contributions. As of the date of this Disclosure Document, there are Eleven (11) Rod Works in operation.

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR THE YEARS 2016 TO 2018		
State	Year	Number of Transfers
Utah	2016	0
	2017	0
	2018	0
Total *	2016	0
	2017	0
	2018	0

* As of the date of this Disclosure Document, there are no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2016 TO 2018								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AZ	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
NV	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
CO	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
UT	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Total*	2016	4	0	0	0	0	0	4
	2017	4	2	0	0	0	0	6
	2018	6	0	0	0	0	0	6

* As of the date of this of this Disclosure Document, there are 6 franchise locations opened, and no franchises who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the date of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed when you leave the franchise system.

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2016 TO 2018							
<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired from Franchisee</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of the Year</u>
UT	2016	5	0	0	0	0	5
	2017	5	0	0	0	0	5
	2018	5	0	0	0	1	4
CA	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	0
	2018	1	0	0	0	0	0
Total *	2016	6	0	0	0	0	6
	2017	6	0	0	0	0	6
	2018	6	0	0	0	1	5

* The Five (5) company-owned outlets are owned by Rod Works Inc.

Table No 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2019			
State	Franchise Agreements Signed But Outlets Not Yet Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
UT	0	2	0
AZ	0	0	0
NV	0	0	0
CO	0	0	0
ID	0	1	1
Total *	0	3	1

* We project the opening of 3 ROD WORKS Business during our fiscal year ending 2019.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with Rod Works Inc, its principals and employees. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ADDENDUM FOR CALIFORNIA

Notwithstanding anything contained in the foregoing Franchise Agreement, Multi-unit Development Agreement and the Franchise Disclosure Document to the contrary, the following provisions of the California. Investment Law shall apply to any franchise or franchisee located in the State of California which shall control to the extent of any inconsistency.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

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.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

We maintain the website found at the URL address www.rodworks.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at wwcorp.ca.gov.

Add to Item 3

Neither us nor any Person listed in Item 2 of this Disclosure Document is the subject of any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, 15 USCA 78a et. Seq., suspending or expelling such membership in that association or exchange.

Add to Item 5

The Department of Business Oversight requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

Add to Item 17 and corresponding provisions in the Multi-unit Development Agreement and 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 or the multi-unit development agreement contains a provision that is inconsistent with the law, the law will control.

(2) Both the franchise agreement and the multi-unit development agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 USCA Sec 101 et. seq.).

(3) The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(4) The franchise agreement and the multi-unit development agreement both require application of the laws of Utah. This provision may not be enforceable under California law

(5) All other terms and provisions contained in the Franchise Agreement, Multi-unit Development Agreement and Franchise Disclosure Document (FDD) shall remain in full force and effect except to the extent specifically modified herein.

Signature _____
Title _____
Date _____