WAFFLE LOVE FRANCHISES, LLC

FRANCHISE DISCLOSURE DOCUMENT

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Waffle Love Franchises, LLC
a Utah Limited Liability Company
2322 West 500 North, Suite L
Springville, Utah 84663
(801) 923-3588
wafflelove@gmail.com; wafflelove.com

As a Waffle Love® franchisee, you will operate a Waffle Love® restaurant business offering to the public waffles, beverages and related products and services.

The total investment necessary to begin operation of a Waffle Love® franchised business is $315,800 to $674,700. This includes the $32,500 to $35,000 that must be paid to the franchisor or its affiliates. You also have the opportunity to enter into an area development agreement. We require a minimum of three units to enter into an area development for a total minimum investment of $50,000 ($30,000 for the first unit and $10,000 for each additional unit developed) paid to the franchisor or its affiliates.

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 to you. To discuss the availability of disclosures in different formats, contact Adam Terry at info@wafflelove.com and (801) 923-3588.

The terms of your contract will govern your franchise relationship. Don't rely on this disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this document to an advisor, like an attorney 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: June 1, 2023

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 "D."
How much will I need to invest?	Items 5 and 6 list fees that 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 "C" 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 Waffle Love Franchises, LLC business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Waffle Love® franchisee?	Item 20 or Exhibit "D" 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 "F."

Your state may also 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 in Salt Lake City, State of Utah, Country USA. 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 litigate with the franchisor in Salt Lake City, State of Utah, Country USA than in your own state.

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

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<u>EXHIBITS</u>

FRANCHISE DISCLOSURE DOCUMENT

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

The Franchisor

The name of the franchisor is Waffle Love Franchises, LLC. In this disclosure document Waffle Love Franchises, LLC, is referred to as "we" or "us" or "our" or "Waffle Love Franchises, LLC"; "franchisee" "you" or "yours" means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership or other entity.

Our limited liability company was organized on February 15, 2017, in the State of Utah under the name Waffle Love Franchises, LLC. Our principal place of business is 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003.

Our agents for service of process in various states are disclosed in Exhibit "E."

Parent

Our parent Hive Industries Inc. was incorporated on January 12, 2015, in the State of Utah. Its principal place of business is 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003.

Affiliates

Our affiliate Waffle Love LLC was organized on May 07, 2012, in the State of Utah. Its principal place of business is 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003.

Franchisor's Business Activities

We do not do business under any names other than Waffle Love Franchises, LLC and Waffle Love®.

As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering and selling franchises in 2018.

Parent, Affiliate, and/or Predecessor Business Activities Involving Waffle Love Franchises, LLC

Affiliates

Our parent, Hive Industries Inc., a Utah corporation, does not conduct a Waffle Love® business similar to the one you will operate, and has not offered nor sold franchises in this line of business or any other line of business.

Our affiliate Waffle Love LLC operates Waffle Love® businesses similar to the one you will operate. It first operated its Waffle Love business starting in 2012. This affiliate has never offered or sold franchises under any name.

We have no other parents, predecessors or affiliates required to be disclosed in this Item.

Franchise Offered

We license and train others to operate Waffle Love® businesses. As a Waffle Love® franchisee, you will offer waffles, beverages, and related products and services. The grant of a franchise authorizes you to engage in our complete system under the name Waffle Love® and other proprietary marks. We strongly encourage multi-unit development and single unit offerings will be considered on a limited basis and awarded in our sole discretion. If you would like to serve alcohol as part of your franchise business, you may do so only with our prior written approval and you must have a state license to sell alcohol and otherwise comply with state and local laws and regulations.

You are required to purchase and carry specific materials, supplies and equipment and to strictly follow our standards, methods, policies and procedures in the operation of your franchise business that are described in more detail in our franchise agreement attached as Exhibit “A” to this disclosure document.

You may enter into an area development agreement with us for the development of a minimum of three franchise units (see Exhibit “G”). The size of the development area, the number of units to be developed and the development schedule are negotiable except that the initial minimum of three units must be opened within 24 months of signing the area development agreement. You will be required to sign our then-current franchise agreement for each unit as developed, which terms may differ from the current franchise agreement included with this FDD. The kitchen in your first unit will serve as a food preparation and supply commissary and will be slightly bigger and have a few more pieces of equipment than kitchens in additional units you may develop. Subsequent units may have smaller kitchens with fewer pieces of equipment. Unless specifically stated otherwise, the disclosures for an area development are the same as for a single unit.

General Description of Market and Competition

The general market for waffle-based restaurants is well-developed and competitive. You will typically compete with other established waffle-based restaurant businesses. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Waffle Love® franchises operated by us or other franchisees outside your territory. This business may be operated year-round but may have increased sales in the warmer months due to the nature of the product or services.

Laws and Regulations

In addition to laws and regulations that apply to businesses generally, your business is subject to federal, state, and local health and consumer protection laws and other regulations and guidelines governing the food service industry. The Food and Drug Administration, the United States Department of Agriculture and food industry organizations, including the National Restaurants Association, have established rules affecting this industry. To operate your franchise, you or one of your employees must have a current Food Handlers license. Some states require a manager to have a Food Safety Manager Certification. You will also be required to have your trailer inspected each year to obtain and maintain a health permit.

You may be required to obtain a beer and wine or liquor license. If you serve alcoholic beverages as part of your business, you will be responsible for obtaining all necessary licenses and permits, and you have to know the laws and regulations governing the sale of these items including minimum age restrictions for purchasers and employees who sell these products, special training requirements, and regulations on the hours of sales for these products. You may be required to obtain additional insurance coverage, which may increase your insurance premium payments. Depending on your location or changes to our system, we can require that you serve alcohol and obtain the required licenses and permits to do so.

You must investigate local zoning rules because they may limit where you can locate your franchise business and may affect the design features including the building façade and signs. In many jurisdictions, you will also be required to obtain a sign permit. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging. State or federal entities may require you to have a permit as a water provider.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. You are responsible for determining what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city or town.

ITEM 2
BUSINESS EXPERIENCE

Name	Company Name and Location	Position	From
Adam Terry	Waffle Love Franchises, LLC Hive Industries, Inc. located in American Fork, Utah	President and Manager President and Manager	February 2017 to present January 2015 to present
Melissa Terry	Waffle Love Franchises, LLC Hive Industries, Inc. located in American Fork, Utah	Secretary Secretary and Director	February 2017 to present January 2015 to present
Steve Terry	Waffle Love Franchises, LLC Self employed -construction company	Growth Manager Owner	January 2020 to present January 2010 to present

ITEM 3
LITIGATION

Filed: February 16, 2022, in the Fourth Judicial District Court of Utah County
Brent Wight et al vs. Adam Terry et al., Case No. 220400233

Plaintiffs filed a claim against Adam Terry, other principals, the franchisor and affiliate companies alleging breach of fiduciary duties, conversion, breach of contract, and unjust enrichment. Plaintiffs are seeking actual and punitive damages. The matter is currently in the discovery phase.

Other than described above, we have no litigation that is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

<u>Initial Franchise Fee</u>

On the signing of the first franchise agreement, all franchisees pay an initial franchise fee of $30,000 in one lump sum.

<u>Initial Training</u>

There is no training fee for up to 3 attendees. We also allow up to 2 extra attendees for an additional fee of $1,000 per attendee. Trainees who do not pass training, may with our permission retake initial training for $250 a day.

<u>Required Purchases from the Franchisor or an Affiliate</u>

You are required to pay us a grand opening assistance fee of $2,500 per week for us to attend, train and promote your grand opening. You are required to use our grand opening assistance for a minimum of one week but may be up to one additional week at your option for an additional $2,500 fee. If you reschedule your opening or do not provide a valid certificate of occupancy prior to our assistance you must reimburse us our costs to reschedule, plus pay a rescheduling fee of $250. See Item 7 for more details.

Area Development Agreement Initial Fee

If you enter into an area development agreement, there is a minimum 3-unit purchase. The upfront area development fee is a minimum of $50,000 ($30,000 for the first unit plus $10,000 multiplied by the total number of additional units to be developed). The initial upfront development fee of $10,000 for each unit to be developed, is credited towards the initial franchise fee of each franchise unit as developed. You will pay the remaining initial franchise fee in one lump sum prior to signing a lease agreement for each unit and you must sign the then-current franchise agreement.

Uniformity and Refunds

These costs and fees are uniform and are non-refundable for all franchisees.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty [1]	6% of gross sales	Payable weekly before 5:00 p.m. each Wednesday	Gross sales include all revenue from the franchise business but do not include sales tax. We require royalties to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed.
Brand Development Fund Fee[3]	1% of gross sales	Payable weekly before 5:00 p.m. each Wednesday	See Note 3 below.
Successor Franchise Fee[1,2]	$2,500	Prior to your entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time your election to enter into a successor agreement must be made.
Late Charges[2,4,5,7]	$25 per day up to $500 per month, per late fee	Payable with royalty or on demand	Charges begin to accrue after the due date of any required payment or report.
Interest on Late Fees and Reports[2,4,5,7]	18% interest or maximum rate permitted by state law, whichever is less	Payable with royalty or on demand	Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report.
Non-Sufficient Fund Fees (NSF) [2,4,5,7]	$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	Or maximum allowed by state law (see state specific addendum).
Sales or Use Tax[1,2]	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge[1,5]	Cost of audit	On billing	Payable only if an audit shows an understate-ment of 2% or more of gross sales for the time period audited, or records are unorganized or unavailable.

System Non-Compliance Fines and Charges[1,2,5]	Amounts to be specified in our manuals, currently ranging between Fees ranging from $50 to $200	As incurred	See Note 7.
Technology Fee[1,2,7]	Currently $250 per year, payable in monthly installments	Payable monthly before 5:00 p.m. on the first Wednesday of each month	This fee is for use of our designated technology suite and will be updated periodically in our manuals to account for increased costs and new technologies, if applicable.
Replacement Training[1]	$250 per person, per day	In advance of training	Any new Operating Partner or managers must complete the initial training program before taking over as Operating Partner or manager. You must pay all associated travel, food, and lodging associated with such training.
Additional In-Person Training[1]	$250 per day per person	Upon billing	Depending on advanced notice and our availability, you may request additional in-person training. In such case you will also be required to pay all travel, lodging, food, and other expenses of your attendees or our representatives during this additional training. We reserve the right to limit additional in-person training. We can require you to attend refresher training classes if you do not pass our inspections or otherwise determined by us in our sole discretion.
Brand Training[1]	$250 per person, per day	As incurred	You must implement all training programs to brand and trademark quality control for your employees and all other training programs as may be specified from us from to time
Rescheduling Fee[1]	$250	As incurred, prior to training	If you postpone or reschedule a training within 10 business days of the scheduled date, or if you fail to complete certain requirements prior to a training. If you reschedule opening training, you must also reimburse us our costs associated with rescheduling.
Insurance Reimbursement Fee[1,2]	Reimbursement of premium amount, plus $25 per hour.	Upon demand	You are required to hold and maintain your own insurance, but in the event you fail to do so, we have the right to obtain insurance on your behalf and you are required to reimburse us the premium payments, plus an administration fee.

PCI and DSS Audit Reimbursement Fee[1,2]	Costs of the audit	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.
Conference or Seminar Fee[1]	As determined by us	At time of registering for the conference or seminar	You will also be required to pay all your travel, lodging, food, and other expenses for each of your attendees.
Customer Complaint Resolution Fee[1]	Any reimbursement to a customer, plus $50 per hour	As incurred	Payable if we must step in and resolve a complaint from any of your clients or customers
Compliance Inspection Fee[1,2,5,67]	$250 per day	As incurred or on demand	Payable if you fail any inspection and we determine a need to conduct a re-inspection for compliance.
Interim Management Fee for Franchise Agreement and Area Development Agreement[1,2]	$250 per day per person plus 20% of gross revenue	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, after you have been given a notice of default and failed to cure. You must also pay all travel, lodging, food and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.
Quality Assurance Inspections/Mystery Shopper[2,6]	Up to $50 per visit or other use of service	As incurred	You must pay the actual cost of third-party quality assurance inspection mystery shops undertaken at your location. This fee will be updated periodically in our manuals.
Supplier Evaluation Fee[2,7]	$500, plus reasonable expenses of evaluation, at cost	The set fee is due before we evaluate potential suppliers with our expenses due upon demand	Payable if you want to have unapproved suppliers evaluated for our approval (see Item 8).
Advertising Cooperative[3]	Payment not to exceed 3% payable to the co-op, if established by us	Payable in accordance with the advertising cooperative's governing documents	If we form a local advertising co-op in your area, any marketing expenditures you make through the co-op is credited towards fulfilling your local advertising obligation.

Additional Copies of Marketing Materials[1]	Our costs, plus 10%, and the costs for shipping and handling	Time of delivery	We may develop and provide you samples of marketing and promotional materials. You will receive one copy of marketing and promotional materials at no cost to you, other than shipping and handling.
Fees on Default[2,4,6]	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us.
Post-Termination Enforcement Fees[1,6]	Varies	As incurred	You will be responsible to pay us any post-termination expenses, including without limitation, attorney's fees and costs to enforce your post-term obligations.
Gift Card; Prepaid Services Reimbursement Fee	Varies	Upon demand	Due upon termination of your franchise. Outstanding gift cards and pre-paid services must also be taken into account if you transfer your franchise.
Post-Termination, De-Identification, Non-Compliance Fee[5]	$250 per day	Upon demand	See Note 7.
Franchise Agreement Transfer Fee[1,2]	$5,000	At time of approved transfer	Payable when you sell your franchise and prior to our signing any approval or new agreement. All guarantors will remain guarantors unless otherwise released by us.
Transfer Training Fee[1,2]	$5,000 for up to 2 people	At time of approved transfer	You or the transferee must pay this initial training fee to have us train the transferee.
Minority Interest Transfer Fee[1,2]	Our legal fees and administrative costs related to the transfer	On demand	This fee applies to transfers of up to 40% of your franchisee entity – cumulative during the term of the franchise agreement. All guarantors will remain guarantors unless otherwise released by us. Subject to state law.
Indemnification[2]	Varies	As incurred or on demand	
Dispute Resolution Fees[2]	Varies	As incurred or on demand	You are required to pay half of the mediation or arbitration fees. Additionally, the prevailing party will be entitled to reimbursement of its legal fees and expenses.

Area Development Agreement Transfer Fees[1,2]	$10,000	At the time of approved transfer	Payable when you sell your area development agreement and prior to our signing any approval or new agreement with the transferee.
Area Development Transfer Training Fee	$5,000 for up to 2 people	At time of approved transfer	The transferee must pay this initial training fee to have us train the transferee. The transferee must pay all associated travel, food, and lodging associated with such training.

[1] Royalty and Fees. Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable unless specifically provided otherwise. You should verify with third-party payees whether such payments, deposits, or fees are refundable or not. If a sales or similar tax is assessed on the royalties or marketing fees, you may be required to pay us or the taxing authority the amount of this tax.

We have the right to require you to establish a bank sweep, draft or other similar type of electronic funds transfer ("EFT") account in which you must deposit the gross sales of your outlet (not including local sales & use taxes) which account we may automatically access for any payment due to us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You cannot close or terminate any EFT account without receiving our prior written consent. If you fail to timely report gross sales, we may sweep an estimated amount of fees due to us. You will be responsible to pay us any amount owing if we underestimate your payment to us, and we will credit you with any overage that we charge. If you enter into an Area Development Agreement or open multiple units, these fees will apply, respectively, to each separate unit.

[2] Indemnification. You must defend, indemnify, and hold us harmless from any and against any and all losses, liabilities, damages, costs and expenses, Including reasonable attorney's fees arising out of or related to, or in any way connected with you or your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and Including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. You are not required to indemnify us for liability caused by our willful misconduct or gross negligence.

[3] Advertising Fees. When instituted, the Brand Development Fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. You must spend at least 1% of Your gross income to advertise your franchise business nationally. You are also required to spend 2% of Your gross income for local advertising.

[4] System Non-Compliance. We may issue you a fine for certain violations of the franchise agreement and/or manuals. The amount of the fine will be set forth in the manuals and are paid to us to reimburse us for our administrative and management costs for us to address the violation. If you do not correct the violation within the time required by us, we have the right to put you in default. All fines are to be paid in accordance with our electronic funds transfer or automatic withdraw program.

[5] Post-Termination, De-Identification, Non-Compliance Fee. In the event You fail to comply promptly with any of your post termination de-identification obligations: (a) you must pay us $250 for each day that you are in default, as a reasonable estimate of the damages suffered by us; and (b) to prevent further injury, we may hire a third-party or use our own personnel to de-identify your unit and/or to carry out any other obligations on your behalf, for which costs you will be responsible. These fees and costs will be applied against your security deposit. Upon termination, we will automatically debit your account $5,000 as a deposit in anticipation of the costs that may be associated with enforcing your post-termination obligations. Any unused

portion will be refunded to you. This post-termination fee obligation will not affect our right to obtain appropriate injunctive relief and other remedies to enforce the franchise agreement and your obligations.

[6] Fee Increases. Unless otherwise stated in this disclosure document, if a fee is subject to change, the increase for that fee will not be more than the equivalent of 5% per year during the term of your franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(Single Unit)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[1]	$30,000	Lump Sum	Upon signing the Franchise Agreement	Us
Initial training - travel, lodging, food, and other expenses while training[2]	$3,000 - $5,000	As incurred	Prior to and during training	Airlines, hotels and restaurants
Additional attendees training fees[3]	$1,000-$2,000	As incurred	Prior to and during training	Us
Additional attendees travel, lodging, food, and other expenses while training[3]	$1,500 - $5,000	As incurred	Prior to and during training	Airlines, hotels and restaurants
Real estate, improvements and architect[4]	$65,000 - $250,000	As incurred	As negotiated	Suppliers and contractors
Rent[5]	$30,000 - $90,000	As incurred	As negotiated	Landlord
Equipment, furniture, fixtures, décor, and supplies[6]	$101,000 - $148,000	As incurred	As negotiated	Suppliers
POS system, computer hardware, and software[7]	$800 - $1,200	As incurred	As negotiated	Suppliers
Signs[8]	$9,000 - $25,000	As incurred	As negotiated	Suppliers
Vehicle[9]	$30,000 - $50,000	As incurred	As negotiated	Suppliers
Vehicle wrap[10]	$4,000 - $6,000	As incurred	As incurred	Suppliers
Misc. opening costs[11]	$3,000 - $7,000	As incurred	As incurred	Suppliers, utilities, government departments, etc.
Opening inventory[12]	$5,000 - $7,500	Lump sum	As negotiated	Suppliers
Grand opening expenses[13]	$4,000 - $10,000	As incurred	As negotiated	Suppliers
Grand opening assistance costs [13]	$2,500 - $5,000	As incurred	Before opening	Us and Affiliates

Advertising – 3 months[14]	$2,000 - $3,000	As Incurred	As negotiated	Suppliers
Additional funds – 3 months[15]	$20,000 - $30,000	As Incurred	As incurred	Suppliers, employees, etc.
*TOTAL[16]	$311,800- $674,700			

NOTES: NO FEES ARE REFUNDABLE EXCEPT AS DESCRIBED IN ITEM 5, AND ALL MUST BE PAID IN A LUMP SUM AS INCURRED AND WILL NOT BE FINANCED UNLESS OTHERWISE STATED.

[1] Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee. If you are an honorably discharged veteran of the United States military, we offer a 10% discount off of the initial franchise fee. Veteran ID cards and other documentation will be required to provide proof of honorable discharge status.

[2] Initial Training. Your Operating Partner and general manager must attend the training. There is no additional fee for their training plus one other owner or executive. The travel and living costs will vary widely as a function of the distance traveled and the choice of accommodations, meals, and transportation.

[3] Additional Attendees at Training. You may have up to 2 additional people attend the same initial training. The fee is $1,000 per additional person to be trained per week, plus you are responsible for all travel, lodging, food, salary, and other fees incurred by the attendees.

[4] Real Estate Improvements. This estimate includes the cost for construction to buildout your location according to our specifications. Costs of improvements vary widely based on location, terms of the lease, the total area of your space as well as construction and material costs. Your landlord may provide you with a tenant improvement allowance as part of your lease. You should review these costs with a local contractor, commercial real estate agent and other professionals. We provide preliminary plans and specifications for construction and improvements. You are required to follow our design specifications and adapt your franchise business in accordance with local, state and federal laws, rules and ordinances. You are responsible for obtaining any required permits. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space. You may need to employ and pay an architect designated by us to accomplish and prepare a preliminary floor plan and develop a preliminary set of plans, specifications and related construction documents for your Waffle Love® franchise business. We do not have an estimate for a local architect or engineer. You must pay a local architect and engineer to complete the preliminary plans, and these estimates include the architect's fees to prepare the full stamped set of floor plans, plans and specifications to include mechanical, plumbing, and electrical engineering as necessary to satisfy city, state, and local building codes and to construct the improvement for your Waffle Love® franchise business at the specific site chosen for your Waffle Love® franchise business.

[5] Rent. Your space will vary depending on your needs, but we estimate you will need approximately 3,000 square feet for the first store which will have an expanded commissary kitchen. Thereafter, the standard, non-commissary kitchens will need approximately 2,500 square feet, and we estimate your lease to be $25 to $40 per square foot per annum. Our estimates include a security deposit and 3 months of rent. You are encouraged to negotiate a "free rent" period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above, but we estimate the cost to purchase real estate to range between $120 and $140 per square foot.

[6] Equipment, Furniture, Fixtures, Décor, and Supplies. Included in this estimate are the cost of the following items: cooking equipment, refrigeration, TV menu, lighting and shelving, booths, tables, chairs, artwork. This estimate also includes office supplies, and small wares. You are required to follow our décor specifications. The fixtures, signs, furniture and décor of the business must comply with our format and color schemes. Your first franchise unit will have the highest initial costs due to the fact that the first franchise unit will act as the central kitchen or commissary for each of the additional four units. This is only an initial supply and will require replenishment on a regular on-going basis based on the volume of sales for your franchise business.

[7] POS System, Computer Hardware, and Software. Included in this estimate are the cost of the following items: cash register, Square, ordering tablets, and kitchen display system. For more information about your POS system, computer, hardware, and software requirements.

[8] Signs. Subject to landlord and government restrictions, 2 signs are required. At least 1 exterior sign displaying the trademark and 1 interior sign are required. These signs may be made locally. A television for displaying the menu items is also required. All signs and television must conform to our specifications. You must use the location's monument sign if available.

[9] Vehicles. Unless otherwise approved by us, you must purchase a van. The van must be in a good condition and repair with no external damage or unreasonable wear and tear and must not be more than 5 years old, must accommodate all the equipment needed in your franchise business, and must be approved by us.

[10] Vehicle Wrap. You are required to wrap your vehicle used in the operation of your franchise business with a high-quality wrap marketing your franchise business as directed by us. Your vehicle must be wrapped before you open your business. You must keep your vehicle wrap in good condition, free from unsightly or unprofessional wear and tear.

[11] Miscellaneous Opening Costs. These miscellaneous costs include legal fees, utility set up fees, business entity organization expenses, employee training, deposits, insurance and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

[12] Opening Inventory. The range in cost depends upon the size of your franchise business, as well as estimated initial business volume. Opening inventory items include the following: waffle dough, produce, drinks, sauces. This is only an initial supply and will require replenishment on a regular on-going basis based on the volume of sales for your franchise business.

[13] Grand Opening Assistance. You must have a trained general manager before you open your franchise business. A minimum of 7-days grand opening assistance is required. However, we will provide you with up to 14 days of opening assistance during your grand opening at your request. Our representative will be at your franchise business and assist you with the various aspects of your grand opening. However, we will not send any representatives to assist with this opening assistance until you have sent us a valid certificate of occupancy.

[14] Advertising. This estimates the cost of advertising for the first 3 months after opening.

[15] Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. You must maintain adequate working capital reserves sufficient to keep your business in operation for at least 3 months, not including cash flows. This amount cannot be less than $10,000. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience of our principals in opening and operating Waffle Love® units since 2012 to compile these estimates.

[16] Total. These figures are estimates for the development of a single franchise unit, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable unless specifically provided otherwise. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

YOUR ESTIMATED INITIAL INVESTMENT
(3-Unit Area Development)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Minimum Area Development Fee[1]	$50,000	Lump Sum	Upon signing the Area Development Agreement	Us
Estimated initial investment to open three units[2]	$840,400 - $1,924,100	Estimated based on the single unit estimates (minus the initial franchise fee) in the above Item 7 chart for a single unit, multiplied by 3.		
*TOTAL[15]	$890,400 - $1,974,100			

Notes: NO FEES ARE REFUNDABLE EXCEPT AS DESCRIBED IN ITEM 5, AND ALL MUST BE PAID IN A LUMP SUM AS INCURRED AND WILL NOT BE FINANCED UNLESS OTHERWISE STATED.

[1] Area Development Fee. This fee is determined based on the total number of units to be developed. There is a 3-unit minimum to enter into an area development agreement. When you sign an area development agreement, you must also sign the franchise agreement for your first unit to be developed under the area development agreement.

[2] Estimated Initial Investment. Except for the initial are development fee, all fees in the above area development 3-unit chart are based on the single unit estimates, multiplied by three. If you develop more than three units, the fee will be higher.

[3] Total. These figures are estimates for the development of three franchise units and we cannot guarantee that you will not have additional expenses starting your development business. You should review these figures in Item 7 carefully with a business advisor before making any decision to enter into an area development with us. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items, products or services according to our specifications or from approved suppliers. You must not deviate from these specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this Item?	Is the franchisor or an affiliate the only approved supplier of this Item?
Grand Opening	Yes	Yes
Waffle Iron	Yes	Yes
Other Equipment	Yes	No
Flour	Yes	Yes
Pearl Sugar	Yes	Yes
Vanilla Ice	Yes	Yes

We may also require you to purchase advertising materials from us or approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from us or other sources designated or approved by us.

Insurance

You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated "A" or better by A.M. Best & Company, Inc.:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate or leasehold minimum, whichever is greater
Property insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Commercial automobile insurance	At least $1,000,000 (combined single limit for personal injury, Including bodily injury or death, and property damage)
Liquor legal liability or "Dram Shop" Insurance	No less than $1,000,000 per occurrence
Government Required Insurances	You must maintain and keep in force all worker's compensation and employment insurance on your employees that is required under all federal and state laws.

These policies (excluding worker's compensation) will insure you, us and our officers, directors and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. Our insurance coverage requirements are only minimums. You must also procure and ay for all other insurance required by state or federal law. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If your premises are damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days from receiving the proceeds, unless we consent otherwise in writing.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of $25 per hour for our time. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We do not derive revenue as a result of your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, must purchase items or services from the approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications. At our discretion, we may revoke our approval from an approved supplier upon 30 days' written notice to you.

Some of our officers have a direct ownership interest in one of our designated suppliers.

Revenue to Us and Our Affiliates from Suppliers

We or our affiliates may derive income from required purchases or leases of goods or services made by our franchisees from approved sources. However, at this point we have not been receiving any rebates or fee, we have no basis from which to gauge the revenue that we or our affiliate may derive from franchisee purchases from designated sources.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 80% to 95% of your overall purchases in opening your franchise business and 85% to 90% of your overall purchases in operating your franchise business.

Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use a particular supplier and if that supplier meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier.

You may establish suppliers on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source: the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurance systems; the financial condition of the supplier; the ability and willingness of the supplier to train on the effective and safe use of the product; and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system. You may be required to sign an open account credit agreement, to prepay using an electronic fund withdrawal system, or to provide a deposit for purchase of products, services and other supplies from us, our affiliates and other approved suppliers.

If you desire to purchase any of the items listed in this Item 8 from an unapproved supplier, you will submit to us a written request for this approval or request the supplier itself to do so. We may require you to submit sufficient information and data to permit us to ascertain whether a supplier meet our specifications. Before beginning our evaluation, you must pay a supplier evaluation fee, and you will reimburse us for our costs associated with the evaluation within 30 days of completion of our evaluation. The evaluation fee and other costs are not refundable regardless of submission as to whether or not we approve of a supplier. We will notify you in writing, within 12 days after completing our evaluation as to whether the supplier has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose).

Other than as stated above, there is no obligation for you, under the terms of the franchise agreement, to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

Negotiated Arrangements

Additionally, at this time there are no purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers, including price and terms for the benefit of franchisees.

Benefits Provided to You for Purchases

We do not provide material benefits to franchisees based on the franchisee's purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises to franchisee's based on purchases).

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	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 4.1 and 4.5	Item 11
b.	Pre-opening purchases/leases	Section 4.4 and paragraphs 6.1.3, 6.1.11 and 6.1.13	Item 8
c.	Site development and other pre-opening requirements	Section 4.2 and paragraph 6.1.15	Items 7 and 11
d.	Initial and ongoing training	Paragraphs 6.1.4 and 6.1.5 and sections 7.2 and 7.3	Item 11
e.	Opening	Sections 4.4 and Paragraph 7.3.1	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2 and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16
j.	Warranty and customer service requirements	Paragraph 6.1.2 and section 8.6	Item 11
k.	Territorial development and sales quotas	Not Applicable	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.9	Item 11
n.	Insurance	Paragraph 6.1.101	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2	Item 6

q.	Owner's participation/ management/staffing	Paragraphs 6.1.7, 6.1.8, 6.1.10 and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4, 5.5 and Paragraph 6.1.13(i)	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iv)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Sections 4.1 and 4.2 and paragraph 6.1.1, 6.1.10, and 16.1	Item 12
z.	Guarantee of franchisee obligations	Section 6.3	Item 15

ITEM 10
FINANCING

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

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

Except as listed below, Waffle Love® is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

1. Designate your territory [franchise agreement section 1.1].

2. Approve of your site. However, we do not assist in locating a site. That is your responsibility. We must approve your site before a lease is entered into or you begin construction. Our approval is based upon the following general criteria: access, appearance, traffic, general population, number of and types of businesses in the territory, parking, square feet, and general vicinity. We do not prepare demographic studies or otherwise determine a need for these services or products within your territory, evaluate or guarantee the potential success of your proposed site. Site approval or disapproval should be completed by us and notice provided to you in writing, within 14 days after you have a proposed site for our review. We do not lease properties to you, and we do not assist you in negotiating the purchase or lease of your site [franchise agreement section 4.1].

3. Make available general written specifications for those items listed in Item 8. For purchase, delivery and installation, you are required to work with the manufacturer or supplier of these items. We do not offer assistance in delivery or installation of any of these items [franchise agreement section 8.6].

4. Provide you with the names of approved suppliers [franchise agreement paragraph 7.1.1].

5. Provide you with a preliminary design/layout plan for your franchise business [franchise agreement 4.2.1]. You must adapt your franchise business to our general specifications at your own expense, in accordance with local, state and federal laws, rules and ordinances [franchise agreement paragraph 6.1.1]. You are responsible for obtaining any required licenses and permits. We do provide assistance in the construction, remodeling, or decorating of your franchise business [franchise agreement section 4.3].

6. Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with your Waffle Love® franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. Our Manuals may consist of a series of online videos, webpages, or other form designated by Us. We will provide You access to Our Manuals during the term of this Agreement The operations manual is approximately 29 pages. The table of contents of the Operations Manual is included as Exhibit "B" to this disclosure document [franchise agreement article IX].

7. We provide an initial training program for your Operating Partner, general manager and 1 other executive owner without and additional charge and up to an additional 2 owners for a fee of $1,000 per trainee as described at the end of this Item 11 [franchise agreement section 7.3].

8. Provide you with an email address which must be used in all correspondence and communications involving your franchise business. You are not allowed to use a non-approved email for business purposes involving the franchise business [franchise agreement paragraph 6.2.2(i)].

<u>Lease, Construction and Commencing Operations</u>

You will have 90 days to have a site approved for your franchise business. You must hire and use our designated local real estate broker to help you locate a site, if we have one, unless waived by us in writing. Either you or your local broker must complete and return to us the site selection package we provide to you [franchise agreement section 4.1]. A lease must be in place within 6 months from the date of the franchise agreement [franchise agreement section 4.2]. We must approve of your lease, and you are required to have the landlord consent to an assignment of the lease before the lease agreement is signed [franchise agreement section 4.2].

Construction must be started within 90 days from the date the lease agreement is signed and be completed within 12 months from the date of the franchise agreement. You cannot operate your franchise if construction and improvements don't confirm to our requirements. You must correct any variances within 30 days of written notice from us. Failure to do so will be grounds for us to terminate the franchise agreement. You are required to begin operations within 1 week after construction is complete. You must give us at least 2 months written notice before opening your franchise business [franchise agreement section 4.3].

<u>Estimated Length of Time Before Operation</u>

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 11 to 12 months. Factors affecting this length of time usually include obtaining a satisfactory site, financing arrangements, construction, local ordinance compliance, training, and delivery and installation of furniture, fixtures, equipment, signs, supplies, and opening inventory items. Your construction, fixtures, vehicles, and improvements must comply with the format specified by Us [franchise agreement article IV].

Failure to meet these deadlines for any reason, including our disapproval of a proposed site location, may result in a termination of the franchise agreement without a refund [franchise agreement section 4.6].

Assistance During Operation

During the operation of your franchise business, we will:

1. Hold conferences and seminars to discuss improvements, new developments, mutual concerns and business issues as decided by us. Attendance by your Operating Partner is mandatory. We may charge a conference fee, and you may be required to pay all your travel and living expenses [franchise agreement paragraph 6.1.14].

2. Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of products or services. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify see [franchise agreement section 9.1]. Other than modifications due to health or governmental mandates or guidelines, or public concerns, we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement [franchise agreement paragraph 6.2.2(iii)].

3. At your reasonable request or at our discretion, provide guidance and assistance either remotely or in person [franchise agreement section 7.2].

4. Provide you with an email address which must be used in all correspondence and communications involving your franchise business. If we provide you with an email account/address, we have the right to access your email account. You are not allowed to use a non-approved email for business purposes involving the franchise business. You must at all times maintain and frequently check a valid and approved email address, provided by, known and available to us, facilitate our communication with you [franchise agreement paragraph 6.2.2(i)].

During the operation of your franchise business, we may:

5. Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. Upon our request, at all reasonable times, you will provide to us a video and/or digital images of the interior and exterior of your franchise business as set forth in the manuals [franchise agreement paragraph 6.2.2(iv)].

6. Conduct seminars, which may be through online webinars, live video conferencing, phone conference or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. We may charge a seminar fee, and you may be required to pay all your travel and living expenses. In-person seminars are normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.14].

7. Provide you with such continuing guidance in the operation of the franchise business as we deem advisable by email, video conference, or website postings [franchise agreement section 7.2].

8. Maintain a website for the Waffle Love® brand that will include your business information and telephone number for your location [franchise agreement section 7.5].

9. To the degree permitted by law, suggest retail price, specify maximum and minimum pricing above and below which you will not sell any goods or services [franchise agreement paragraph 6.1.12]. You must

honor all coupon, price reductions, loyalty programs and other programs established by us [franchise agreement section 6.2.2(ii)].

10. Products purchased directly from us or our affiliate may carry a manufacturer's warranty, but we do not provide any warranty. You must look directly to the manufacturer to replace defective products. For items purchased through third parties, you must work directly with your supplier or manufacturer of such items regarding warranties, defective products, training and support [franchise agreement section 8.6].

11. At Your expense, require you to repair, refinish, repaint, remodel, modernize, redecorate, or other refurbish your premises from time to time as we may reasonably direct, but not more often than every five years (except for required changes to the trademarks or upgrades to the equipment, which we may require at any time and changes to the POS System). This can include changing out items such as flooring, wall treatments, signage, lighting fixtures, and other physical elements of your franchise business. We may also require you to invest in new or updated equipment and technology. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement. You must implement all changes within the time frames required by us [franchise agreement section 6.1.9].

12. Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(iii)].

<u>Employment Matters</u>

We do not assist you with the hiring, firing, managing or compensation of your employees. That is solely your responsibility. We may provide you with an employee guide or manual, but it will only be an example of certain employment matters unless otherwise indicated by us. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.10].

<u>Advertising and Promotion</u>

We may provide you with samples of marketing materials developed by us and provide new marketing techniques as developed [franchise agreement sections 10.4].

You may develop advertising and marketing materials for your use, at your cost, but all advertising and marketing material developed or used by you must have our prior written approval. Any advertising or marketing you create may, upon written notice, become our property and will be considered a "work-made-for-hire" that can be used by us or other franchisees. If you do not receive written approval or disapproval within 10 days of the date we received your submission of advertising materials, the materials submitted are deemed approved. We can revoke our approval of any marketing materials at any time in our sole discretion expressed in writing [franchise agreement sections 3.11 and 10.4 to 10.5].

<u>Brand Development Fund</u>

We currently do not have a national marketing or brand development fund but reserve the right to institute such a fund at any time upon 60 days prior written notice to you. Once instituted, You must contribute 1% to a national marketing fund as established (referred to as the Brand Development Fund) for regional or national marketing or a public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We and our affiliates may not contribute to this fund on the same basis as the franchisees. Contributions by our franchisees to the Brand Development Fund may not be uniform [franchise agreement section 10.1].

We are responsible for administering the Brand Development Fund. We will direct all uses of the fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (that may include television, Internet, radio, print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement, timing, and allocation of these programs (that may be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement paragraph 10.1.1].

We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the Brand Development Fund [franchise agreement paragraph 10.1.2].

We are not required to spend any amount on marketing directly in the area or territory where you are located. We do not guarantee that expenditures from the Brand Development Fund will benefit you or any other franchisee directly, on a pro rata basis, proportionally, or at all. We are not required to segregate the Brand Development Fund from our general operating funds. Funds may be used to solicit additional franchisees, but this will not account for more than 10% of the fund [franchise agreement paragraph 10.1.1].

We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the Brand Development Fund activities [franchise agreement paragraph 10.1.2].

Any unused marketing funds in any calendar year will be applied to the following year's fund. The Brand Development Fund is unaudited and we do not have a fiduciary duty in relationship to the fund. You may send us a written request to receive an unaudited annual report of marketing expenditures within 90 days of the end of our fiscal year. In the last fiscal year we did not collect any marketing fund fees [franchise agreement paragraph 10.1.2]..

Brand Development Fund Council

No franchisee advertising council is anticipated at this time. We have the power to require an advertising council to be formed, changed, or dissolved at any time.

Advertising Cooperative

You are required to participate in a local or regional advertising cooperative when established or approved by us. The area of any cooperative marketing association will be based on regions determined by us. Your marketing area is defined as a market with multiple Waffle Love® locations, as determined by us. Upon the formation of an advertising cooperative, you will be deemed to be a member of that association as covers the area where your franchise is located, and you will be bound by any decisions made by the association upon a majority vote by voting members. You and other franchisees in the cooperative will be responsible for the administration of the association. Governing documents will be provided by us or by the cooperative and approved by us. At this time these governing documents are not available. Voting will be on the basis of one vote per franchise in good standing within the cooperative. At no time will we or our affiliates control the vote in any cooperative. Members of the cooperative must make contributions pro rata based on the number of units in the cooperative. This is in addition to your contributions made to the Brand Development Fund. We and our affiliates within the cooperative may not contribute to advertising cooperatives on the same basis as the franchisees. We have no franchise businesses that do not contribute to advertising cooperatives. Contributions by our franchisees to advertising cooperatives may not be uniform. The cooperative will be required to prepare unaudited annual financial statements, and these will be available for review by all franchisees in the cooperative and us. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time [franchise agreement section 10.2].

At this time, you are not required to participate in any other marketing funds.

Internet and Social Media

You cannot engage in social media on behalf of your franchise business or in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon without our prior written permission. However, you may be allowed to place pre-approved information concerning your franchise business on our website and social media, as developed by us.

You are not allowed to create your own website, but You may create a landing page for use in connection with our website. You are required to provide us administrative access, account information and any other information related to any of your websites and social media accounts. With our prior approval, you may be allowed to register listing on sites such as Yelp. You must strictly comply with our policies and procedures regarding websites, social media sites, and Internet marketing. We reserve the right to restrict your use of these sites in the future [franchise agreement section 10.6].

Computer / Point of Sale System

You must have at least a 1-terminal POS system that meets our specifications. We currently use the Square-Up register system, which provides cash box and Fresh Kitchen Display System (KDS). The estimated cost of purchasing or leasing each Square-Up system is $800 to $1,200. We reserve the right to change the POS system at any time, and you are required to comply with and are solely responsible for the fees associated with such changes. We will have independent access to the information and data collected or generated by the computer and the POS system. There are no contractual limits on our rights to do so. You must keep these systems available for our access 24 hours a day, 7 days a week. We may require updates and upgrades to your computer hardware, software and POS system at your expense during the term of the franchise agreement. There are no contractual limitations on our right to do so. You may add extra Square-Up systems as needed. We estimate the costs to maintain, upgrade and support your computer and POS system to be $1,000 every 2 years. We are not required to maintain, repair, update and/or upgrade your computer or POS system. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer or POS system [franchise agreement paragraph 6.1.13]. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer [franchise agreement section 8.6].

Customer Relation Management Software (CRM); Loyalty Programs

We reserve the right to require you to use and pay for a designated CRM in the operation of your franchise [franchise agreement paragraph 6.1.16]. You are required to participate in the loyalty, gift card, discount, and coupon programs as developed by us [franchise agreement paragraph 6.2.2(ii)].

Accounting

We also currently require you to use the QuickBooks Online accounting system. Currently, QuickBooks Online is provided via a monthly subscription fee of approximately $70 per month. We require that we have independent access to your account. We also reserve the right to require you to follow our accounting procedures and line items, including standardized profit and loss statement templates, balance sheet templates, and charts of account as we may designate [franchise agreement paragraph 6.1.13(ii)]. We can change the required accounting software at our discretion.

Merchant Provider

At your sole cost and expense, you are required to use our designed merchant services or payment processor, and to pay all monthly, annual, service, and upgrade fees. The required or designated provider may change at any time, and you are required to comply with any changes and are solely responsible for the fees associated with any changes [franchise agreement paragraph 6.1.13(iii)].

Premises Security System

You are not currently required to purchase a security system to protect your franchise business, but we may require a security system at any point in the future. Currently we do not designate a specific type of security system or a specific brand you must use. However, if you choose to install a security system, or in the event we require a security system to be installed, the security system must be cloud based, must provide us with 24/7 access, and must comply with state and local privacy and similar laws. You are required to provide us notice of its installation and provide instructions on how to access the system. You agree to indemnify and hold Us harmless from and against any claim related to your security system. We estimate the cost of such system to be $2,000 to $4,000 for initial installation and an ongoing cost of $50 per month [franchise agreement paragraph 6.1.13(v)].

Area Development Agreement

Your rights under the area development agreement are territorial only and do not give or imply a right to use our trademarks or system. Our only obligation is to provide an area where you must develop a minimum of five Waffle Love® franchise businesses as provided in the area development agreement. We must approve the potential site for each franchise business location. Our approval will be based on our then-current standards for that franchise business pursuant to your franchise agreement [see area development agreement article 2; franchise agreement section 1.1].

Online Ordering and Delivery

You must participate in any third-party delivery service and any online ordering program for takeout or delivery program we create or adopt and cover the applicable fees for such program. You will not participate in any third party delivery platform unless approved by us [franchise agreement paragraph 6.2.2(v)].

Miscellaneous

We may approve exceptions to our changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to such variances [franchise agreement section 20.15].

Initial Training

We provide an initial training program. The Operating Partner, general manager, and one other executive level person Operating Partner must complete the initial training [franchise agreement paragraph 6.1.4]. The length of training depends on prior experience of your attendees but should last approximately 14 days. All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement paragraph 6.1.4(iv)].

Your "Operating Partner" is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us [franchise agreement, Article XXI]. The operating principal must be involved with the business as described in Item 15.

Successful completion of training must be satisfied not less than 4 weeks before you may open your franchise business. The following measures will be used to help determine successful completion: ability to demonstrate knowledge of basic techniques, knowledge of policies and procedures, food preparation and assembly, daily operations, record keeping, computer system competency, marketing, and customer service. Up to three people may attend initial training without an additional fee. The estimated cost of training is listed in Item 5 and Item 7 and the travel and living costs are estimated to be $3,000 to $5,000 for 3 people. Trainees who do not pass training, may with our permission, retake initial training for a fee of $250 a day. You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). [franchise agreement paragraph 6.1.4].

All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training. Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On – The - Job Training	Location
Orientation	0	2	American Fork, Utah
Policies and Procedures Overview	0	3	American Fork, Utah
Menu Orientation	0	2	American Fork, Utah
Basic Training – Cleaning and Closing	0	6	American Fork, Utah
Basic Training – Open	0	1.5	American Fork, Utah
Crew Member Training – Food Prep (Morning)	0	3	American Fork, Utah
Crew Member Training – Make Station	0	7	American Fork, Utah
Crew Member Training – Expo Station	0	8.5	American Fork, Utah
Crew Member Training – Food Prep (Afternoon)	0	2	American Fork, Utah
Crew Member Training – Savory Station	0	8	American Fork, Utah
Order Guide	0	1	American Fork, Utah
Inventory Training	0	4	American Fork, Utah
Review & Recap	0	8	American Fork, Utah
Totals:	0	56	
*Below is the training schedule followed at the Franchisee location before and during the Grand Opening			
Orientation	0	2	Your Territory
Policies and Procedures Overview	0	3	Your Territory
Menu Orientation	0	2	Your Territory
Basic Training – Cleaning and Closing	0	6	Your Territory
Basic Training – Open	0	1.5	Your Territory
Crew Member Training – Food Prep (Morning)	0	3	Your Territory
Crew Member Training – Make Station	0	7	Your Territory
Crew Member Training – Expo Station	0	8.5	Your Territory
Crew Member Training – Food Prep (Afternoon)	0	2	Your Territory
Crew Member Training – Savory Station	0	8	Your Territory
Order Guide	0	1	Your Territory
Inventory Training	0	4	Your Territory
Review & Recap	0	8	Your Territory
Totals:	0	56	

[1]The entire training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and your personnel may vary based on the experience of those persons being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Adam Terry	Leadership	Since 2005	Since 2017	Owner of Waffle Love
Jared Terry	Operations	Since 2015	Since 2020	Regional manager then operations manager for Waffle Love
Steve Terry	Operations	Since 2020	Since 2020	Helping Waffle Love grow since 2020

Materials Provided at the Initial Training

We will provide access to our manuals during the initial training and other handouts to facilitate training.

Replacement Training

After the initial training, any new operating principal and manager must complete initial training prior to taking over as the operating principal or manager. Our fee for this additional training is currently $2,500 per person, per week. You will also be responsible for covering the travel, food, and lodging for your attendees or our representatives (as applicable) [franchise agreement paragraph 6.1.4(i)].

Additional Trainings

Depending on availability and advanced written notice, if you would like additional in-person training, we may provide this training to you. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. You will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives [franchise agreement paragraph 6.1.4(ii)]. We can require your operating principal and/or other key personnel to attend additional trainings if you are in default, or if we reasonably believe such training would be in the best interest of your franchise.

Brand Training for Employees

You are required to implement a training program related to brand and trademark quality control for Your employees in accordance with Our Manuals and all other training programs as may be specified by Us from time to time for which a fee may be charged.

At this time, other than listed above, no additional trainings or refresher courses are required.

ITEM 12
TERRITORY

Non-Exclusive Territory

You will not be assigned an exclusive territory for your franchise business. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish another traditional franchise or company-owned unit using the trademark within your territory so long as you are in strict compliance with your franchise agreement.

Non-Traditional Outlets

We and our affiliates, either personally or through agents and representatives, reserve the right to own and operate or sell Waffle Love® outlets through non-traditional outlets at our discretion, both within and without your territory, without paying compensation to you. These outlets may include locations at convention centers, military bases, universities, sporting arenas, airports, or other similar locations.

Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks at a specific location within your territory, the boundaries of which will be negotiated prior to signing the franchise agreement and are described in the franchise agreement.

Size of Your Territory

The specific size of your territory is set by us based on the population density, the business base in the territory, whether your location is in a metropolitan or rural area, and other comparable factors, but generally We will not place another franchise unit within 2 to 3 driving miles of your territory depending on the density of the population. The radius may be smaller based on population density, demographics, and geographical boundaries. If your franchise business is located within a shopping mall or similar facility with a captive market, your territory may be limited to the physical boundaries of the mall or facility. The written boundaries of your territory will be included in your franchise agreement. We will not place another franchise or company owned unit within your territory during the term of the agreement.

Adjustment of Territory Boundaries

We have the right, in our sole discretion, to adjust the boundaries of your territory for increases of more than 150,000 people as demonstrated by demographic data available to us at the time of the territory adjustment. We also have the right to adjust the boundaries of your territory based on inadvertent error in the creation of your territory, or in an effort to more accurately reflect the target population number after your premises location has been selected and approved, or for other reasons that we may specify from time to time in the manuals.

Territory Restrictions

You are restricted to operations from the approved franchised premises and may not, without our prior written approval, open or operate another outlet. You have the right to provide catering services within your territory. However, you must receive our prior written approval to provide any catering services outside of your territory.

Relocation

You do not have the automatic right to relocate your business, and we have the right to deny any relocation request. You must obtain our prior written permission if you want to relocate your franchise, and you must be able to demonstrate to us that you have the financial ability to relocate. Approval to relocate is determined on a case-by-case basis and is based on factors such as your operational history, our then-current criteria used in approving a new franchisee's proposed site, and other factors that are relevant to us at the time of the relocation request. There is a $1,500 relocation fee for our time in approving the new location. If we do approve your relocation, you must reimburse us our costs associated with reviewing and approving the new territory or site at a cost of $50 per hour, plus any legal fees associated with the relocation and costs associated with updating documentation, reviewing new sites, and editing our website and promotional materials.

Minimum Sales Requirement

Your territory is not dependent upon achievement of a minimum sales volume, market penetration, or other contingency.

Your Rights to Use Other Channels of Distribution

You do not have the right to sell products or services through other channels of distribution, including to retail or wholesale outlets, or through the Internet, via apps or social media sites. You are restricted to sales of product only within your restaurant, via catering, and an approved food truck. You have the right to provide catering services within your territory. However, you must receive our prior written approval to provide any catering services outside of your territory, and unless otherwise clearly indicated, such approval will only apply to a specific event, and you must receive our prior written approval each time you desire to cater outside of your territory.

Advertising Within and Outside the Territory

Other franchisees may advertise within your territory, and you may advertise using various media forms within other territories as specifically provided in the manuals.

Options to Acquire Additional Franchises

You do not receive the right or option to acquire additional franchises unless a new area development agreement is signed.

Our Rights to Use Other Channels of Distribution in Your Territory

We and our affiliates also reserve the right to market, and sell and distribute products and services under Waffle Love® both within and outside your territory using alternative distribution channels, such as through the Internet, websites, smartphone apps, national accounts, retail outlets, social media sites, etc. We do not pay you for soliciting or accepting orders for any products or services under the Waffle Love® brand through these channels inside or outside your territory.

We and our affiliate also reserve the right to market and sell and distribute products and services under other brands both within and outside your territory using distribution channels, such as through websites, smartphone apps, direct marketing, retail outlets, wholesale outlets, social media sites, etc. We do not pay you for soliciting or accepting orders for any products or services through other channels inside your territory, if made under other brands.

Our Previous Activities in Your Territory

In the past, we, or an affiliate have used one or more of the following distribution channels to sell and distribute products and services in your territory under the Waffle Love® brand: None.

National Accounts

We reserve the right to sell, market and distribute the Waffle Love® products and services to national accounts in your territory. A “national account” is defined as a company with multiple units or outlets located in more than one geographical area or market. We will designate if and how franchisees will sell or service national accounts.

Competition by Us Under Different Trademarks

Neither we, nor an affiliate operates, franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark in or outside of your territory, but we reserve the right to do so in the future.

Area Development Agreements

You will not be assigned an exclusive area for your development business. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish another traditional franchise or company owned brick and mortar unit using the trademark within your development area.

As an area developer, you will be assigned a limited non-exclusive area over which you will have development authority. You may face competition from other franchisees, from units that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish another traditional franchise or traditional company-owned unit using the trademark within your development area during the term of your development agreement.

The size of the development area is to be negotiated and the written boundaries will be included in your area development agreement. The schedule of units to be developed in your area are negotiated between you and us but will be a minimum of five units. To maintain your area development rights, you must develop the required number of franchise businesses by the deadlines listed in your development schedule.

We, and our parent and affiliates, reserve the right to sell and market products and services under the Waffle Love® marks or other marks both within and outside your area using distribution channels, such as through websites, the Internet, social media, national accounts, apps, wholesale outlets, retail outlets, etc., within your development area. We do not pay you for soliciting or accepting orders for any products or services under the Waffle Love® brand or other marks through these channels inside your development area.

We or our affiliate either personally or through agents and representatives also reserve the right to sell, market and distribute all Waffle Love® products and services using our trademarks or other trademarks or sell, market and distribute other products and services using other trademarks or brands we control through alternate channels of distribution including by direct mail, telemarketing, infomercials, the Internet, general media marketing, retail units and national business accounts both within and without your development area.

ITEM 13
TRADEMARKS

Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use future trademarks in the operation of your franchise business, as we designate. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

Agreements Regarding the Trademark

Under a license agreement entered into between Waffle Love LLC and us in 2020, we were granted the right to use and sublicense the trademarks for 50 years. The license may be terminated for our default; however, all franchisees in good standing will be able to continue to use the Waffle Love® trademarks through the end of the then-current franchise agreement term. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Registered Trademarks

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered or have been filed for registration with the United States Patent and Trademark Office on the Principal Register. All required affidavits and renewals have been filed.

Registration/ Serial Number	Mark	Registry	Registration/ Filing Date	Status
4,494,568	(composite mark)	Principal	July 13, 2013	Registered

6,469,346	WAFFLE LOVE (word mark)	Principal	August 31, 2021	Registered
N/A	(composite mark)	N/A	N/A	N/A

Registered Domain Names

We have registered, among many others, the Uniform Resource Locators (domain names) www.wafflelove.com, www.waffluv.com. You may not register or own a domain name using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark

You must use all trademarks in strict compliance with our manuals and Waffle Love® system. You must modify or discontinue the use of a trademark at your cost if we modify or discontinue it, and you have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark. You cannot make application for registration for any of our Marks, or for any derivation thereof. You cannot use the name “Waffle Love” as part of your corporate name, but you must use the name Waffle Love® as part of an assumed business name or dba (“doing business as”) registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of Waffle Love® names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters “TM” or “SM” or “®” as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You cannot use any other trademark as part of your franchise business that is not affiliated with us or approved by us. You must follow all security procedures required by us for maintaining the secrecy of proprietary information.

Government Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights in, or infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We will have the discretion to take the action we deem appropriate. We are not obligated to protect any rights which you have to use the trademarks, or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the trademarks, and you will proceed in strict coordination and oversight by us. You may not act contrary to our rights in the marks. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademark.

You may not contest, directly or indirectly, our right and interest in our trademarks, names or service marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

You do not receive the right to use an item covered by a patent and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent or affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we or our franchisees develop for our use and for use by our franchisees and your use of these materials will be limited to the uses required or allowed by us.

We or an affiliate may develop software or apps. In such cases, we claim copyright protection on all such items.

Proprietary Information

You can use the proprietary information in our manuals but only in connection with the system. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination of your franchise agreement. Portions of the "system," including certain processes, recipes, formulas, products, customer lists, etc., are a trade secret or confidential and proprietary to us.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between Waffle Love LLC and us in 2020, we were granted the right to use and sublicense the patents, copyrights, and other intellectual property for 50 years. The license may be terminated for our default; however, all franchisees in good standing will be able to continue to use the Waffle Love® intellectual property through the end of the then-current franchise agreement term. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Protection Against Infringement

You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. We have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

Improvements to the System

Any improvements you make to the system will be owned by us and considered a "work-made-for-hire" or will otherwise be assigned to us.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights or infringing uses of the copyrights or patents that could materially affect your use of the copyrights or patents in your territory.

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

Participation and "On Premise" Supervision

We require on-premises supervision by your operating partner. Your operating partner must personally participate in the direct operation and supervision of the franchise business.

Unless your operating partner will act as the full-time manager of the franchise business, your operating partner is not required to work a certain or minimum number of hours. However, your operating partner must work sufficient hours to operate your franchise or supervise your managers so that your franchise business is operating at maximum capacity and efficiency.

Your operating partner must also conduct frequent inspections of the franchise business to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods. You must have at least one trained manager on-site during regular business hours.

Who Must Attend and Successfully Complete Initial Training

The Operating Partner, general manager, and one other executive level person must attend and successfully complete our initial training program.

Restrictions For On-Premises Manager

We do not put a limitation on whom you can hire as your on-premises manager."

No Competing Enterprises

You, your Operating Partner and managers must keep free from competing enterprises, or activities which would be detrimental to or interfere with the operation of your franchise business or the franchise system. Therefore, neither you, your Operating Partner**,** nor your management employees can have an interest in or business relationship with any competing business and must keep free from activities which would be detrimental to or interfere with the operation of your franchise business. You, your partners, directors, members, shareholders, and Operating Partner must sign our standard principal brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 [franchise agreement exhibit A-4]. Your employees will also be required to sign a brand protection agreement, and that agreement also imposes certain non-competition restrictions on management employees. Some states may impose certain restrictions on non-competition agreements. We provide you this form, but it is your responsibility to conform this agreement to the laws and regulations of your state [franchise agreement exhibit A-5].

Required Operations

You must operate the franchise business 7 days per week throughout the year (unless waived in writing by us). The franchise business must be open for a minimum of 12 hours per day from 8:00 AM to 10:00 PM each day (unless waived or otherwise agreed in writing by us).

You must also maintain sufficient supplies and materials and employ adequate personnel to operate the franchise business at maximum capacity and efficiency. Your Operating Partner must conduct frequent inspections of franchise business to ensure the highest standards of professionalism, cleanliness, and a general pleasant appearance and compliance with our approved methods.

Vending Machines. No vending machine, cigarette machine, amusement devices, juke boxes, or other devices of similar nature, whether or not coin operated, are allowed to be installed or used on the Premises without Our prior written consent.

Personal Guarantees

Any individual who owns a 20% or greater interest in the franchise business must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may provide and sell only those products and services specified and approved by us in writing. We do not put limitations on customers frequenting your business; however, you are not permitted to market in another franchisee's territory. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify, or delete products and/or services that you may offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all of our products and services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP[1]

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	Section 2.1	The term is 5 years. The franchise term will begin upon signing the franchise agreement and will be extended to coincide with your lease agreement for the premises but adjusted to coincide with the premises lease of about 60 months.
b. Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the franchise term, you can enter into a new successor franchise agreement for an additional term of 10 years. Your successor agreement may also provide an option to enter into a subsequent successor franchise agreement.
c. Requirements for franchisee to renew or extend	Section 2.2	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to the then-current standards, and sign the then-current successor franchise agreement, which may have materially different terms from the previous agreement, and sign a release (subject to state law). When renewing, you may be required to sign a contract with materially different terms and conditions than your original contract.

		You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement. (subject to state law).
d. Termination by franchisee	Section 11.4	There are no provisions in the franchise agreement that permit you to terminate the franchise agreement. However, some states may allow you to terminate as permitted by state law.
e. Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f. Termination by franchisor with cause	Section 11.1	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure. (See (h) below.)
g. "Cause" defined – curable defaults	Paragraphs 11.1 A-O	You have 24 hours to 30 days to cure certain material defaults of the franchise agreement.
h. "Cause" defined - non-curable defaults	Paragraphs 11.1 P-W	Non-curable defaults include insolvency, bankruptcy, conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, intentionally and knowingly refusing to comply with the terms of the franchise agreement and/or system specifications, intentionally, knowingly, or negligently operating the franchise business in violation of applicable laws, rules, and regulations, failure to meet minimum annual gross revenue requirements, etc.
i. Franchisee's obligations on termination/non-renewal	Section 12.1	Obligations include complete de-identification, payment of amounts due, compliance with the brand protection agreement, etc. (See also (r) below.)
j. Assignment of contract by franchisor	Section 14.1	There are no restrictions on our right to assign.
k. "Transfer" by franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, transfer of ownership interest, the sale of substantially all of your assets, etc.
l. Franchisor approval of transfer by franchisee	Section 14.2	We must approve all transfers, but we will not unreasonably withhold approval. You may not transfer to a competitor.
m. Conditions for franchisor approval of transfer	Sections 14.3 - 14.8	Condition to transfer include you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for new transferee arranged, new franchisee signs the then-current franchise agreement, a release is signed by you, etc. You must also coordinate with the transferee to ensure coverage at the location during the transferee's initial training. These conditions are subject to state law. (See state specific addenda).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.9	We can match any offer for your franchise business or business assets within 45 days of written notice to us of the offer.

o. Franchisor's option to purchase franchisee's business	Sections 13.1	Upon termination or expiration of the franchise agreement, we can elect to buy all or part of your business assets at fair market value within the later of 60 days of termination or 30 days after the establishment of the price of the business. Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all of your rights and interests in and under the franchise agreement and your franchise business at fair market value. No goodwill will be considered associated with Your Franchise Business or said items.
p. Death or disability of franchisee	Section 14.10	Within 160 days of death or disability of your majority owner or operating principal, your personal representative must be approved and a new manager must be trained, if applicable, or franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place. You will be charged our interim management fee, plus our costs, for us to manage your franchise business during this time. You will also be responsible for royalties and other fees during the time of our operation.
q. Non-competition covenants during the term of the franchise	Section 16.1	No involvement in competing business anywhere without our written consent. Non-competition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated, transferred or expires	Sections 16.3 – 16.4	No competing business for 2 years within your former territory or within 20 miles of your territory, or within 20 of any other Waffle Love® franchise, company or affiliate owned Waffle Love® business (including after assignment). If you compete within the time period, then this non-compete time period will be tolled and extended for the period of your competition, plus 6 months. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you may not solicit to or on behalf of a competing business any former customer of your franchise business that you serviced as a Waffle Love® franchisee, or customer of ours or of an affiliate or of another Waffle Love® with whom you interacted during the term of the franchise agreement.
s. Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures are subject to change by us.
t. Integration/ merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. No provision in the franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. Any representations or promises made outside

		of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes there must be a face-to-face meeting, mediation and arbitration. (See state specific addenda.)
v. Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Salt Lake City, State of Utah, or the county where our then-current headquarters is located. (Subject to state law.)
w. Choice of Law	Sections 19.1 and 19.5	Utah law and the United States Trademark Act apply. (Subject to applicable state law.)

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Area Development Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Area Development Agreement

Provision	Area Development Agreement	Summary
a. Length of the Area Development Agreement	Section 3.4 & Exhibit B	The term is the negotiated development period.
b. Renewal or extension of the term	Section 3.4	There is no right to renew.
c. Requirements for developer to renew or extend	Not Applicable	Subject to state law.
d. Termination by developer	Section 9.1	Rights to terminate are subject to state law.
e. Termination by franchisor without cause	Section 9.1	We must have cause to terminate the area development agreement.
f. Termination by franchisor with cause	Section 9.1	We can terminate only if you are in default of your agreement.
g. “Cause” defined – curable defaults	Sections 9.1.2	You have 45 days to cure a development schedule default and 30 days to cure certain other material defaults of the area development agreement.
h. “Cause” defined – non-curable defaults	Section 9.1.1	Non-curable defaults: insolvency, repeated defaults even if cured, abandonment, your obligations under the area development agreement; if you, for 4 consecutive months, or any shorter period that indicates an intent by you to discontinue your development of units within the development area, and termination of any of your franchise agreements, etc.
i. Developer’s obligations on termination/non-renewal	Section 10	In the event we terminate your area development agreement, you may continue to own and operate all units that you have developed and that are in compliance and not in default and each unit continues to faithfully perform the terms of each franchise agreement.
j. Assignment of contract by franchisor	Section 14.1	No restrictions on our right to assign including merger with, acquisition by, or sale to a competing company.

k. "Transfer" by developer - defined	Section 14.2	Includes assignment and transfer of contracts, security interests and ownership change.
l. Franchisor approval of transfer by developer	Section 14.2	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Sections 14.2 and 14.3	You are not in default, transferee is trained and signs the then-current area development agreement, and a release signed by you. No transfer to a competing business or competitor of ours.
n. Franchisor's right of first refusal to acquire developer's business	Section 14.4	We can match any offer for your business within 60 days of written notice to us of the offer.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of developer	Section 14.5	The heirs or personal representative will have the right to continue to fulfill the area developer's obligations under the agreement; provided that a personal representative approved or area development agreement must be assigned to approved buyer within a reasonable time, not to exceed: 160 days.
q. Non-competition covenants during the term of the Area Development Agreement	Section 13.1	No involvement in a competing business. Non-competition provisions are subject to state law.
r. Non-competition covenants after the developer is terminated, transferred or expires	Sections 13.2 and 13.3	No competing business for 2 years within 50 miles of your development area or within 30 miles of another then-existing Waffle Love® franchise or company or affiliate owned business (including after assignment. If you compete within the time period then this non-compete time period will be tolled and extended for the period of your competition, plus 6 months. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer or expiration of your franchise agreement, you cannot divert or attempt to divert any business or customer from us, an affiliate, or our franchisees or injure our goodwill.
s. Modification of the agreement	Section 18.8	Modifications must be made in writing and signed by both parties; policies and procedures are subject to change by us.
t. Integration / merger clause	Section 18.8	Only the terms of the area development agreement are binding (subject to state law). All representations and promises outside the disclosure document and multi-unit development agreement may not be enforceable. No provision in any franchise agreement is intended to disclaim the express representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims for all disputes there must be a face-to-face meeting, mediation and arbitration (see state specific addenda).

v. Choice of forum	Section 18.2	Arbitration must be in Salt Lake City, Utah. Litigation, if any, must be in Salt Lake City, Utah (subject to state law – see state specific addenda).
w. Choice of Law	Section 18.2	Utah law, the Federal Arbitration Act and the United States Trademark Act apply (subject to state law – see state specific addenda).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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.

This Item 19 includes sales from 2022. The following tables are an historical representation from January 1, 2022, through December 31, 2022, for our 3 franchise locations and our 13 affiliate-owned locations that were open for the full calendar year in each respective year. There is not a material difference in the gross sales of the franchisee units and the affiliate-owned units.

For purposes of this financial performance representation, the term "gross sales" means the total of all sales of all products, merchandise, goods, or services sold, traded, bartered, or rendered and income of every kind and nature, including the value of a trade or other bartering, arising from the location. "Gross sales" excludes (i) bona fide refunds to customers; and (ii) sales and equivalent taxes collected from customers and paid to the government.

2022 ANNUAL GROSS REVENUE
FRANCHISEE AND AFFILIATE OWNED LOCATIONS

Show below are unaudited annual gross revenues as reported to us by all 16 Waffle Love™ locations open and operating for the year ending December 31, 2022, and which were open for the year, excepting any government mandated closures. Of the 16 locations, 3 are franchise units and 13 are affiliate owned.

Year: 2022	**Top 33%**	**Middle 33%**	**Bottom 33%**	**Total**
Number of Locations	5	6	5	16
Gross Revenue Range – **High**	$ 1,155,001	$ 778,265	$ 517,838	
Median Gross Revenue	$ 984,472	$ 623,680	$ 360,533	
Gross Revenue Range – **Low**	$ 788,861	$ 545,935	$ 107,710	
Average Gross Revenue	$ 947,751	$ 632,406	$ 327,075	

Total Revenue of Subset	$ 4,738,754	$ 3,794,437	$ 1,635,376	$10,168,567
% Change from Prior Year	-4%	40%	-9%	8%
% of Total Revenue for All Locations	47%	37%	16%	
COGS - Food Costs	$ 315,743	$ 201,860	$ 103,333	

2022 ANNUAL GROSS REVENUE
AFFILIATE OWNED LOCATIONS

Show below are unaudited annual gross revenues as reported to us by all 13 Waffle Love™ locations open and operating for the full year ending December 31, 2022.

Year: 2022	**Top 33%**	**Middle 33%**	**Bottom 33%**	**Total**
Number of Locations	4	5	4	13
Gross Revenue Range – **High**	$ 1,155,001	$ 778,265	$ 517,838	
Median Gross Revenue	$ 986,478	$ 626,898	$ 324,647	
Gross Revenue Range – **Low**	$ 788,861	$ 545,935	$ 107,710	
Average Gross Revenue	$ 979,205	$ 634,795	$ 318,711	
Total Revenue of Subset	$ 3,916,819	$ 3,173,975	$ 1,274,843	$8,365,636
% Change from Prior Year	-2%	17%	8%	6%
% of Total Revenue for All Locations	47%	38%	15%	
COGS - Food Costs	$ 304,758	$ 195,813	$ 104,959	

Notes For Each Above Table

1. "Gross revenue" means the total dollar amount of all sales generated by an outlet for a given period, including payment for any services or products sold, whether for cash or credit and the value of any services bartered or done on trade. Gross sales do not include (i) bona fide refunds to customers, (ii) sales taxes collected, or (iii) sale of used equipment not in the ordinary course of business.

2. "Average gross revenue" means the sum of the gross sales of the locations listed in an applicable group divided by the number of locations in that group.

3. "Median gross revenue" means the center gross sales number of all gross sales included in an applicable group. It is the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by 2.

4. Both the company/affiliate locations and all of the franchised locations listed in this table offer similar products and services to what new franchisees would offer. Each location is located in a metropolitan

area. The biggest distinguishing factor between the locations is years in business. The earliest affiliate location began operating in 2012 and franchises were not offered until 2018.

5. The financial performance representations do not reflect the costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

General Restaurant Characteristics

You are strongly urged to make an independent survey of the economic and market conditions and the price structure adopted by competing businesses in your area and the amount of revenue and expenses generated by those businesses and to consult your accountant, attorney or financial advisor. Franchisees, or former franchises, listed in this disclosure document may be one source of this information. The information in this Item 19 was taken from financial statements from our company owned locations and our franchisees. Written substantiation of the data used in preparing this Item 19 financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 Adam Terry at 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003, (801) 923-3588, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	2	2	+0
	2021	2	2	+0
	2022	2	3	+1
Company Owned	2020	8	10	+2
	2021	10	12	+2
	2022	12	13	+1
Total Outlets	2020	10	12	+2
	2021	12	14	+2
	2022	14	16	+2

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Idaho	2020	1
	2021	0
	2022	0
Total	2020	1
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Idaho	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Texas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3

Table No. 4
Status of Company-Owned Outlets[2]
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2020	2	1	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Utah	2020	6	1	0	0	0	7
	2021	7	2	0	0	0	9
	2022	9	1	0	0	0	10
Total	2020	8	2	0	0	0	10
	2021	10	2	0	0	0	12
	2022	12	1	0	0	0	13

[2] These are units owned by our affiliate.

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	0	0-5	3
Texas	0	0-6	0
Total	0	0-10	0-3

List of Franchisees

Exhibit "D" contains a list of our current franchisees. Exhibit "D" also contains a list of franchisees who have had an outlet terminated, cancelled, 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 issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you invest in this franchise, your contact information and financial information may be disclosed in our disclosure document.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

Confidentiality Agreements

During the last 3 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.

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system that is required to be disclosed in this Item.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year ends on December 31 of each year. Attached as Exhibit "C" are our audited financial statements dated December 31, 2022, December 31, 2021, and December 31, 2020, and our unaudited interim financials dated April 17, 2023, for the period of January through March 2023.

ITEM 22
CONTRACTS

We have attached the following contracts: as Exhibit "A," the Franchise Agreement and its Exhibits; as Exhibit "G," the Area Development Agreement; as Exhibit "H," the Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23
RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this Franchise Disclosure Document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to us at 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003 or by emailing it to us at adam@wafflelove.com.

ADDENDUM TO THE WAFFLE LOVE FRANCHISES, FDD
STATE REGULATIONS

SCHEDULE “A-1”
TO THE FDD

STATE REGULATIONS
FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. 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.

2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.

3. 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.)

4. 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.

5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

6. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.

8. You must sign a general release if you transfer, renew or terminate 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).

9. Neither franchisor nor any person listed 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 this or these persons from membership in such association or exchange.

10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. Our website at www.wafflelove.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. No statement, questionnaire, or acknowledgement 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.

14. Item 6 under Late Fees is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

EXHIBIT “A”
TO THE FDD

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

By and Between

WAFFLE LOVE FRANCHISES, LLC

and

____
(Franchisee)

WAFFLE LOVE®
FRANCHISE AGREEMENT

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ARTICLE **PAGE**

Exhibits

WAFFLE LOVE FRANCHISES, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into and made effective as of _________________________ by and between **WAFFLE LOVE FRANCHISES, LLC**, a Utah limited liability company ("Franchisor" or "We," "Us" or "Our" as further defined in Article XXI below) and _____________________("Franchisee" or "You" or "Your" as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a business known as Waffle Love®, utilizing the Marks and System, and offering to the public food, beverages, limited menu items, and other related products and services ("Franchise Business" or "Waffle Love® Business"); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I
AWARD OF FRANCHISE

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable personal right to establish and conduct a Franchise Business as a Waffle Love® franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only at a single location approved by Us ("Premises") within Your Territory as set listed on Exhibit "A-1" ("Territory"). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory Rights. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a traditional company-owned outlet or grant to any person or entity a franchise within the Territory using the same or similar System as that licensed by this Agreement.

1.1.2 Territory Adjustment. We have the right to adjust the boundaries of Your Territory if the population in Your Territory increases by 150,000 or more as measured from the date of this Agreement. In such case, any adjustment will not result in Your Territory having less than a population base equal to when you initially signed this Agreement. We also have the right to adjust the boundaries of Your Territory based on inadvertent error in the creation of Your Territory, or in an effort to more accurately reflect the target population after Your Premises have been selected and approved, or for other reasons that We may specify from time to time in the Manuals.

1.1.3 Catering. You have the right to provide catering services within Your Territory. However, You must receive Our prior written approval to provide any catering services outside of Your Territory, and unless otherwise clearly indicated, such approval will only apply to a specific event, and You must seek Our prior written approval each time You desire to cater outside of Your Territory. No course of conduct of providing catering services outside of Your Territory will be construed as expanding Your Territory. You, We, Our affiliates, and other franchisees can provide catering services to any business in any location where there is not a current franchisee, so long as the distance traveled does not negatively affect the quality of the food or catering service.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Waffle Love® businesses outside the Your Territory; 2) to operate and license others to operate businesses anywhere that do not operate under the Waffle Love® brand name Waffle Love®; and 3) to use the Marks in connection with the manufacture and sale of products at wholesale and at retail.

1.3.1 Non-Traditional Outlets. We reserve the right to open or sell franchises for outlets located in non-traditional locations within Your Territory. These outlets Include locations at convention centers, military bases, universities, sporting arenas, airports, or other similar locations.

1.3.2 Our Reservation of Rights. We and our affiliate also reserve the right to market and sell and distribute products and services under other brands both within and outside your territory using distribution channels, such as through websites, smartphone apps, direct marketing, retail outlets, wholesale outlets, social media sites, etc. We do not pay you for soliciting or accepting orders for any products or services through other channels inside your territory, if made under other brands.

1.4 Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business at the Premises and do not extend to the operation of a Franchise Business or any other use of the System from any other location within or outside Your Territory, or in any other manner, except as may be allowed by this Agreement and Our Manuals. You may only service customers within Your Territory. You cannot operate any other business from the Premises other than the Franchise Business.

1.5 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and Our affiliates expressly reserve the right Market in Your Territory and elsewhere using Marketing strategies and distribution channels Including to retail or wholesale outlets, or through the Internet, via apps or social media sites. Your customers may only purchase and receive Your products and services at Your location. We do not pay You for soliciting or accepting orders for any products or services We make inside Your Territory.

ARTICLE II
TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of five years, unless terminated earlier pursuant to Article XI herein. However, at the time You sign a lease for the Premises, the term of this Agreement will be extended to coincide with Your Lease, so long as such Lease is approximately 60 months and does not otherwise extend the term of this Agreement more than 12 months, unless otherwise agreed in writing by Us. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise ("Successor Franchise") upon the expiration of the original term for an additional term of 10 years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your Successor Franchise Agreement may also provide for a successive franchise term. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days' prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term Including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement ("Successor Franchise Agreement"). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us arising from this Agreement, the relationship created herein and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement, and this Agreement will Terminate at the expiration of the term then in effect. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.**

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit "A-3," payable in full at the time of execution of the Successor Franchise Agreement.

2.2.5 Upgrading Your Franchise Business. As a condition to Us approving You entering into a Successor Franchise, at Your expense, You are required to reasonably renovate, remodel, redecorate, redesign, refixture, upgrade and/or otherwise refurbish Your Franchise Business and Premises to the extent and in the manner specified by Us to conform with and bring it up to the standards, image, and capabilities of new Waffle Love® businesses being opened at the time the Successor Franchise takes effect. Unless otherwise waived by Us, such improvements must be made within six months of signing the Successor Franchise Agreement.

2.2.6 Successor Franchise Training. As a condition to Us approving You entering into a Successor Franchise Agreement, Your Operating Partner and/or other key personnel may also be required to attend and successfully complete trainings, certifications and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

ARTICLE III
INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) as between You and Us, We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) We have the sole right to license and control the Confidential Information and Intellectual Property. Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of the Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.

3.4 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters "TM," "SM" or "®," as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.4.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.4.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logos and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest. In the event We undertake the defense or prosecution of any litigation pertaining to any such Confidential Information or Intellectual Property, You must execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent (but You will not have the obligation), undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You may not do any act or make any claim which is contrary to or in conflict with Our rights Our Confidential Information or Intellectual Property.

3.7 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Your activities, is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.7.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and do not contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

3.8 Fictious Business Name. You must not use Our Marks or any other similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a "doing business as" name ("DBA") using our Marks as designated by Us, and in the manner required by the state law so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and must Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time.

3.9 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.10 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a "work-made-for-hire." If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Innovation, and You agree to execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.11 Association with Causes; Co-Branding. You cannot, without first Our written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for profit or non-profit organization, cause, or position, or (ii) act in support of or against any such organization, cause or position. You cannot "co-brand" or use the Marks or Your Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

ARTICLE IV
CONSTRUCTION, COMMENCING OPERATIONS AND LEASE

4.1 Location of Premises. You must select a site within the designated search area listed on Exhibit "A-1" ("Search Area"). You must have a site approved by Us within 90 days of signing this Agreement. Although We must approve of Your site, We do not warrant or guarantee the success of the site. You must hire and use Our designated local real estate broker to help You locate a site, if We have designated one, unless waived by Us in writing. We will provide You with a site selection package that You or Your local broker must complete and return to Us. You must not commit to purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Unless waived by Us in writing, You must hire and use Our designated local real estate broker to help You locate a site. Your Premises must strictly comply with local zoning and, state and federal laws, rules and regulations.

4.1.1 Location Approval. We must approve Your proposed site. However, it is Your responsibility, at Your sole cost and expense, to select the site within the Search Area. You must provide Us with the street address of the proposed site and such other information as We request, Including pictures or existing brochures of the proposed site. **We do not prepare demographic studies or otherwise evaluate the need for Our products and services in Your Territory, nor do We provide You with a site checklist or other similar information.** Site approval or disapproval should be completed by Us within 14 days after You have submitted a proposed site to Us.

4.2 Lease. A Lease must be in place within six months from the date of this Agreement. We have the right to review all leases relating to Your Franchise Business prior to execution. We must approve of Your lease prior to Your execution of it. You must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.

4.2.1 Assignment of Lease. You hereby assign and transfer all rights and interest in and to the Lease to Us to be effective upon Our election when this Agreement Terminates. In such event, We will have the right, but not the obligation, to accept the assignment and assume the Lease or execute a lease with You as provided below. We also have the right to assign the Lease to another franchisee or an affiliate of Ours. If You own the Premises, You hereby agree to lease the facilities to Us upon Termination of this Agreement at a rate not to exceed its fair market rental value, and on commercially reasonable terms and conditions. Your Lease must include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason and You are required to have Your landlord sign the attached Landlord's consent to an assignment of the Lease before the Lease is signed.

4.2.2 Assumption of Lease. We will have 30 days from the date of Termination of this Agreement, to exercise Our right and option to take and assume the Lease for the Premises. If the option is exercised, We will notify You and the Landlord of Our exercise within the option period. In such event, You agree to bring all obligations under the Lease current as of the date of possession by Us as well as to indemnify Us against all losses and costs arising by virtue of, attributable to, or in any way related to the period of Your possession of the Premises. All taxes, utilities and rentals will be prorated between Us and You as of the date of Our possession. We will not be obligated to pay Your arrearages. After the date of possession, We agree to indemnify You against all Lease obligations solely attributable to the period of Our possession of the Premises. You agree that no compensation for the Lease is payable by Us to You unless the Premises are owned by You. The Lease will be transferred to Us without payment of any kind to You by Us for the Lease other than the indemnification provided above.

4.3 Construction. Any construction of the Premises must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state and local laws. We do not assist in the actual construction, remodeling or decorating of Your Franchise Business. You must commence construction within 90 days from the signing of the Lease, and construction must be completed within 12 months from the date of the Lease.

4.3.1 Design of Premises. At Your own expense, and unless waived in writing by Us, You are required to follow Our interior and exterior design standards and specifications. We provide You preliminary layout/design plans for Your Franchise Business. The prototype layout/design plans We provide to You are for information purposes only. You must adapt these plans at Your expense in accordance with local, state and federal laws, rules and ordinances for Your specific Premises. You are also responsible to obtain any required licenses and permits.

4.3.2 Setting Up Premises. You shall arrange the fixtures, signs, furniture and décor of the Premises in strict compliance with the format and color schemes recommended by Us and to work with Our approved suppliers providing such items. We must approve Your Premises setup prior to opening, and if any elements of the Premises do not meet Our specifications, You will, at Your cost, be required to make the required adjustments.

4.3.3 Abandonment of Construction. Abandonment of construction or stoppage of construction for six or more weeks due to Your fault or neglect will be grounds for terminating this Agreement.

4.3.4 Approval of Construction. You may not operate Your Franchise Business if construction, improvements and fixtures do not conform to Our approved specifications and failure to correct any unauthorized variance for such plans and specifications within 30 days after written notice from Us will be grounds for terminating this Agreement. We have the right to supervise and inspect all construction to assure compliance with approved plans and specifications.

4.4 Commencing Operations. You are required to commence operations not later than one week following completion of Your Premises and in no case later than 12 months from the date of Your Lease.

4.4.1 Conditions to Opening. You will notify Us in writing at least two months before You intend to open the Franchise Business to the public. Before opening, You must satisfy all of the following conditions: 1) You are in compliance with this Agreement; 2) You have obtained all applicable governmental permits, licenses, certificates of occupancy, and authorizations; 3) the Franchise Business conforms to all applicable System standards; 4) We have inspected and approved the Franchise Business, which may be done virtually; 5) You have hired sufficient employees; 6) the required personnel have completed all of Our required pre-opening trainings and certifications; and 7) We have given Your Our written approval to open, which will not be unreasonably withheld.

4.5 Relocation of Premises. You are not allowed to relocate Your Premises without Our prior written approval. Approval to relocate will be based upon the same criteria used in approving a new franchisee's proposed site. In Our sole discretion, You may be required to attend an initial training program if You choose to move Your Premises. In addition, prior to opening Your new Premises, You will be required to pay for two of Our representatives to visit Your new Premises for up to two days. The price for this mandatory visit will be Our then-current rate for on-site assistance to You. You are responsible for all fees associated with this visit, plus Our expenses for transportation, food and lodging for each representative. You must demonstrate the financial ability to relocate as part of Our approval process. Additionally, You must pay Us a relocation Fee to cover Our costs to review and approve the relocation. See Exhibit "A-3." We have the right to deny a request for relocation in Our sole discretion.

4.6 Failure to Meet Deadlines. If You fail to meet a deadline and fail to cure, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article. You will not receive a refund if You are unable to find an approved location.

ARTICLE V
FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit “A-3” in one lump sum at the time of execution of this Agreement. The initial franchise fee must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Veteran Discount. If You are an honorably discharged veteran of the United States military, You will receive a discount of 10% off the initial franchise fee. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

5.1.2 Additional Franchises. During the term of this Agreement, You may purchase additional franchises at a discounted initial franchise fee per location as listed in Exhibit “A-3.” This option will only be available to You if there are franchise territories available, You meet Our then-current criteria for new franchisees, You are current and not in default of this Agreement, and, in Our sole discretion, We determine to sell You another franchise. You will be required to sign Our then-current franchise agreement, which may have material terms different from this Agreement.

5.2 Royalty. You shall pay Us a non-refundable on-going, weekly royalty as listed in Exhibit “A-3.” The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement, and not in exchange for any specific services We render.

5.2.1 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of “Gross Sales” and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term “Gross Sales” or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit “A-3.”

5.3 Brand Development Fund Fees.

5.3.1 Brand Development Fund. We have the right to institute a Brand Development Fund upon 60-days prior written notice to You. When the Brand Development Fund is instituted, You must pay Us the weekly Marketing fee listed in Exhibit “A-3” for Our Marketing programs as further described in Section 10.1 below. This fee is payable on the same terms as the royalty.

5.3.2 Local Marketing. You must also allocate and spend an amount of Your Gross Sales for local Marketing and promotion programs every calendar quarter in Your Territory. This amount is listed in Exhibit “A-3” and is paid directly to supplier of Your local Marketing. We reserve the right to increase the minimum local Marketing requirement if We determine, in Our sole discretion, that to do so will be in the best interest of the System, but such increase will not be more than 3% of Gross Sales.

5.3.3 Marketing Cooperative. In the event a local or regional marketing cooperative is formed, You will be required to contribute to the marketing cooperative as established and assessed by the marketing cooperative. See Section 10.2 below.

5.3.4 Opening Marketing. You are required to promote and Market Your grand opening. You determine the amount You will need to spend, but We suggest You spend at least $1,000 in promoting Your opening in forms and mediums as approved by Us.

5.4 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Payments; Due Date. All payments to Us Fees must be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account not later than 5:00 pm Mountain Time on Wednesday of each week for the previous week's sales (Monday through Sunday). Our current ACH agreement is attached hereto as Exhibit "A-7" and may be modified by Us at any time in Our sole discretion. We reserve the right to change the payment due date or require an alternative payment frequency payment for any or all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional. If there are insufficient funds in Your account at the time of the scheduled withdrawals, You will be charged an insufficient fund Fee as set forth on Exhibit "A-3."

5.4.2 Operating Account. You shall not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of $10,000 in Your Operating Account at all times for business emergencies, provided that in any 30-day period, the Operating Account may have less than such amount for a period of not more than five days. You are required to provide Us with view-only access to Your Operating Account.

5.4.3 Late Fees. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate, and You will be charged per bounced check or insufficient funds transfer. See Exhibit "A-3." These Fees are due upon demand to You, and the amounts may be adjusted by Us from time to time in the Manuals.

5.4.4 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or otherwise that exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.5 Sales Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
Gross sales report	Due weekly each Monday	This report must include the prior week's gross sales for the immediately preceding week showing all monies received or

		accrued, sales or other services performed and such other information concerning your financial affairs, as we may reasonably require.
Profit and Loss Statement	The 15th day of the following month	The P&L does not need to be prepared by your accountant or audited unless specifically requested by us.
Local Marketing Report	Upon request	This report must detail your expenditures for local marketing in a form we may require.
State Tax Return	The 15th day of the following month after the filing of Your return	
Federal Tax Return	By the 120th day of calendar year-end	
IRS Form 941 (Employer's Quarterly Federal Tax Return)	The 15th day of the following month after the filing of Your return	
Other Reports	Upon request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analysis, advertising budget and expenditures.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.5.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, Including the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available readable, and organized required records will be deemed an understatement by more than 2%.

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.7 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to placing You in default, as determined on a case by case basis, Including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." The fines are set forth in Our Manuals and are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation and is not a penalty or estimate of all damages arising from Your breach. If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. Such fines are not Our sole remedy. Our decision to impose, or not to impose, a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

5.10 Fee Increase. Unless otherwise set forth herein, if a Fee is subject to increase by Us (as opposed to by an affiliate or third-party), the increase will not be more than the equivalent of 5% per year during the term of this Agreement.

5.11 Technology Fee. You must pay Us the Fee listed in Exhibit "A-3" for utilization of Our technology suite. We can designate You to pay all or a portion of this Fee directly to the supplier. We may increase this fee to account for new or additional technologies and increased costs.

ARTICLE VI
FRANCHISEE'S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements, and covenants set forth in this Agreement.

6.1.1 Compliance with Applicable Laws. You are solely responsible for ensuring compliance with all applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You must also comply with federal, state, and local health and consumer protection laws and regulations governing the food service industry and concerning food preparation, handling, storage, truth in menu laws concerning menu item names and product labeling, nutritional claims, and local labor regulations, Including minimum age and minimum wage laws.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You agree that We have not made and You have not relied on any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

6.1.2 Appearance; Customer Service. You shall establish and maintain the Premises in a clean, attractive and repaired condition; perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain and enhance the reputation and goodwill of Our System. We reserve the right to require that Your employees comply with any dress code, Mark or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture, and décor of the Franchise Business in strict compliance with the format specified by Us.

6.1.3 Signage. You must have the number of interior and exterior signs as required by Us. You are also required to have a television monitor meeting our specifications for displaying the menu. All signs to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You shall maintain all signs in good condition and undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You are required to use the location's pylon/pole or monument sign, if available. You understand and acknowledge that while You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Partner and Your general manager, if other than Your Operating Partner, are required to attend and successfully complete Our training program at least four weeks prior to opening Your Franchise Business. All attendees attending a training must sign a non-disclosure agreement acceptable to Us before attending training. The length of training is generally 14 days but could be longer if Your Operating Partner or Your general manager fails to successfully complete the training. Successful completion will be determined by Our trainers but may Include demonstrating knowledge of basic techniques, knowledge of policies and procedures, food preparation and assembly, daily operations, record keeping, computer system competency, Marketing, and customer service. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us without charge to You for up to three management and/or executive level persons. We allow up to an additional two people to attend the initial training. The cost for additional trainees to attend the initial training is listed in Exhibit "A-3." Each person must attend the same training session. Trainees who do not pass training may, with Our permission which may be withheld for any reason, retake the initial training for a Fee listed in Exhibit "A-3." You must cover the travel, food, and lodging costs as well as compensation for Your attendees.

(i) Replacement Training. Any new Operating Partner or general managers must complete the initial training program prior to taking over. The Fee for this training is listed on Exhibit "A-3." Depending on availability and advanced written notice, this training may take place at Your location, but more likely the training will take place at or near Our headquarters or at an affiliate's location. You must also over the travel, food and lodging for Your attendees or Our representatives, as applicable.

(ii) Additional In-Person Training. Depending on availability and advanced written notice, if You would like additional in-person training, We may provide this training to You. We have the right in Our sole discretion to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, or if We reasonably believe such training would be in the best interest of Your Franchise Business. At Our discretion, in the event You do not pass an inspection, or We determine in Our sole discretion, that You need additional training, You shall attend a refresher training. Our current Fee for this refresher training is the same as for additional training listed in Exhibit "A-3." For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

(iii) Brand Training for Employees. In addition, You are required to implement a training program related to brand and trademark quality control for Your employees in accordance with Our Manuals and all other training programs as may be specified by Us from time to time for which a Fee may be charged. See Exhibit "A-3."

(iv) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending training.

(v) Rescheduling Fee. You shall pay Us the rescheduling Fee listed in Exhibit "A-3" if You cancel, postpone or reschedule a training within 10 business days of the scheduled date, or if You fail to complete certain requirements prior to a training.

6.1.5 Opening Assistance. Our obligations with opening assistance is described more fully below in Paragraph 7.4.1. Upon Your written request We will provide up to an additional seven days of opening assistance for an additional Fee (see Exhibit "A-3"). If You postpone or reschedule Your opening, You must reimburse Us for any of Our costs to reschedule Our opening assistance, in addition to payment of the rescheduling fee.

6.1.6 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.7 Management. Your Franchise Business must be managed by either Your Operating Partner or a general manager who will be required to devote their full time, attention and best efforts to the management and operation of Your Franchise Business. Your designated manager is not required to have an equity interest with You. You must have at least one manager on site during regular business hours. You must have at least one trained manager on-site during regular business hours. You must disclose the identity of Your Operating Partner to Us, and You must immediately notify Us in writing if Your Operating Partner is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.

(i) We require on-Premises supervision by Your Operating Partner. Your Operating Partner must personally participate in the direct operation and supervision of the Franchise Business. Unless Your Operating Partner will act as the full time manager of the Franchise Business, Your Operating Partner is not required to work a certain or minimum number of hours; however, Your Operating Partner must work sufficient hours to operate Your Franchise Business or supervise Your managers and employ adequate personnel to operate Your Franchise Business is operating at maximum capacity and efficiency.

(ii) Your Operating Partner must also conduct frequent inspections of the Franchise Business to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with Our approved methods.

(iii) Your Operating Partner must devote their primary attention to the Franchise Business, and You, Your Operating Partner and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.8 Operational Hours. You shall operate Your Franchise Business seven days per week throughout the year. The Franchise Business must be open for a minimum of 12 hours per day from 8:00 AM to 10:00 PM each day You are open, throughout the year (unless waived or otherwise agreed in writing by Us).

6.1.9 Remodel and Upgrades. You shall repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish Your Premises from time to time as We may reasonably direct, but not more often than every five years between required remodels and upgrades (except for required changes to the Marks and equipment, which We may require at any time) to conform to the building design, color schemes and presentation of trade dress consistent with Our then-current public image. This can Include structural changes, new flooring, wall treatments, signage new equipment, remodeling, redecoration of the furnishings, fixtures and décor and such modifications to existing improvements as may be reasonably necessary, such that all Waffle Love® locations will have a generally similar look and appearance. You must complete all such updates and upgrades within three months of notice from Us. You shall also complete any day-to-day maintenance issues as they occur.

6.1.10 Your Employees. You, Your principals, and Your employees are not Our employees. You are solely responsible for the hiring, firing, compensation, benefits, managing, and training of Your employees. We do not assist You with the hiring, managing or compensation of Your employees. The only training assistance We provide is the training of Your general managers and Operating Partner. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters unless otherwise expressly provided by Us. It is Your responsibility to comply with local and federal labor and employment laws.

6.1.11 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated "A-" or better by A.M. Best & Company, Inc.:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate, or leasehold minimum, whichever is greater
Property Insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Commercial Automobile Insurance	At least $1,000,000 (combined single limit for personal injury, Including bodily injury or death, and property damage)
Liquor Legal Liability or "Dram Shop" Insurance	No less than $1,000,000 per occurrence
Government Required Insurances	You must maintain and keep in force all worker's compensation and employment insurance on Your employees that is required under all federal and state laws.

(ii) Policy Requirements. Other than worker's compensation, these policies must insure You and Us and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise Business wherever it may be located. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion and You must reimburse Us the premium costs, plus an administration fee of $25 per person, per hour for Our time (see Exhibit "A-3"). We may periodically increase the amounts of coverage required and/or require different or additional coverage. If Your Premises are damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition no later than 160 days from receiving the proceeds.

6.1.12 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices outside of Your Premises. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.13 Computer and POS System. At Your expense, You must purchase or lease the computer and point of sale ("POS") system and other computer hardware and software systems designated by Us in strict accordance with Our specifications and the Manuals, and We can mandate the forms of payment that You can or must accept. If We adopt a different computer system, POS system or other system in the future, You must change and adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at Your sole expense. You must provide Us full 24-hour/7 day a week access, Including online access, and the right to "upload" or "download" information to and from all POS, computer and other systems, and to the information and data contained in them. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system (not related to Our (or an affiliate's) acts or omissions).

(i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination of this Agreement.

(ii) Accounting Systems. You must use the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. Currently You are required to use the QuickBooks® accounting system and You are solely responsible for any fees associated with the use of QuickBooks. We can designate that You subscribe to the online version, and We can require that We have independent, view-only access to Your accounting software account; We also reserve the right to change the accounting system You are required to use.

(iii) Merchant Account. At Your sole cost and expense, You are required to use Our designed merchant services or payment processor, and to pay all monthly, annual, service, and upgrade fees. The required or designated provider may change at any time, and You are required to comply with any changes and are solely responsible for the fees associated with any changes.

(iv) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements; however, We reserve the right to approve of the vendor You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements, Including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect Customer Data and to notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.

(v) Security System. Currently You are not required to purchase a security system to protect Your Franchise Business, but We may choose to make this a requirement at any point in the future. At this point in time We do not designate a specific type of security system or a specific brand You must use. However, if You choose to install a security system, or if We require You to install a security system, the security system must be cloud based, must provide Us with 24/7 access, and must comply with state and local privacy and similar laws. You may not install cameras in places where employees and customers have a reasonable expectation of privacy, e.g., bathrooms, changing rooms, etc. You are required to provide Us written notice of its installation and provide instructions on how to access the system. You agree to indemnify and hold Us harmless from and against any claim related to Your security system.

6.1.14 Conferences and Seminars. At Our discretion, We will hold conferences or seminars on a regional or national basis for all franchisees in good standing. Attendance is mandatory for Your Operating Partner. The conferences and seminars may be held at various locations chosen by Us. If any conference or seminar is held, You may be required to attend, and You must pay all registrations Fees and all travel, lodging, food, and other expenses for each of Your attendees.

6.1.15 Business and Marketing Plan. You are required to provide Us a general business and marketing plan at least 30 days prior to the opening of Your Franchise Business. In addition, You are required to annually update Your Business and Marketing plan and submit the updated plan to Us within 90 days after Your fiscal year end.

6.1.16 Required Software. You must use and pay for all software (Including a customer relation management "CRM") as required by Us, which may be changed from time to time. You must input all required information into Our designated software as set forth in Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, Recipes, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications,. and that You must use as the sole email for all

Franchise Business-related communications and accounts. If We provide You with an email account/address, We have the right to access Your email account at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts. All Social Media You develop or use must be attached only to the email address We provide to You or that is approved by Us.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership or subscription model, or other discount or incentive program, You will be required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card, etc., program without Our prior written permission.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and Standards for any aspect of Our System, or modify existing specifications and Standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You agree to accept, comply with, be bound by, use, not object to, and implement any and all such changes to the System or operations. You will make whatever expenditures are reasonably required to implement such changes or modifications. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(iv) Inspections and Visits. We may conduct periodic evaluations, inspections, and audits of any or all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video or live video conferencing. Our inspections may Include Your Premises, vehicles, business records, bank accounts, Venmo or similar accounts, operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc. We also have the right to speak with and interact with Your employees and customers, and to remove samples of products, supplies and materials. Immediately upon Our request You must provide to Us video and/or images of the interior and exterior of Your Premises, and any specific pieces of equipment or other areas of the Premises, and business vehicles as may be more fully set forth in the Manuals. You will be charged a Fee (see Exhibit "A-3") if You fail to comply with the System after an inspection and notice, and We reasonably determine a re-inspection is necessary.

(v) Online Ordering and Delivery. You must participate in any online ordering program for takeout or delivery, whether provided by Us or one or more third parties designated by Us. You will not participate in any third party delivery platform unless approved by Us. You must use all required software or other equipment required by Us or any such third party necessary to provide the services as designated and as may be updated, supplemented or changed. You shall also provide Us with any login information necessary to access any third-party delivery provider accounts, and You agree that We will have unrestricted access to review the information in such accounts at any time. Any such software or equipment must be purchased by You at Your cost. You understand and acknowledge that any third party providers may also charge fees or commissions for their services, and You shall pay all such costs or fees.

(vi) Customer Complaints. In the event, We step in to resolve any customer dispute with You or the Franchise Business, We will charge a Fee (see Exhibit “A-3”).

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee See Exhibit “A-3”. You must also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, employees, and other contracted personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You shall cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord and suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.2.4 Mystery Shopper Service. We reserve the right, from time to time, at Your expense, currently up to $50 per visit, and without prior notice to You, to evaluate the operation and quality of Your Franchise Business through the use of a secret shopper service provided by Us or a third-party. You are required to immediately pay all invoices for such services directly to the third-party provider. We may use such service evaluations to inspect Your Franchise Business at reasonable times. We may make the results of any service evaluation available to You, in Our discretion.

6.3 Personal Guarantees. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, and member, respectively, who own 20% or greater interest, and their spouses or legal domestic partner, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement (see Exhibit "A-8" Guaranty and Assumption of Obligations).

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owning to any vendors, landlords, or amounts owing to employees or contractors.

6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not, in any way, form, or medium, make any negative, disparaging, false or misleading statements, published or made orally about Us, the System, the brand, Our officers, owners, partners, directors, members, managers, representatives, agents or employees, Our products and services, or other franchisees.

6.7 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.

ARTICLE VII
FRANCHISOR'S OPERATIONAL ASSISTANCE

7.1 Layout and Design. We shall provide You with general specifications for the Premises layout, signs, equipment and interior décor.

7.1.1 Suppliers and Products. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.

7.2 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business and upon Your reasonable request, make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. Other than initial training and the opening assistance, We are not required to provide additional training to You. If You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of personnel, and Your payment of a per day, per person, Fee. See Exhibit "A-3."

7.3 Initial Training. We shall train Your Operating Partner and other attendees in the various practices, policies and procedures of operation of Your Franchise Business. This training will take place in the Salt Lake City, Utah area or as designated by Us. The training program is described in Paragraph 6.1.4.

7.3.1 Opening Assistance. We will provide You with at least one of Our representatives, who will provide You with at least seven days opening assistance and agree to provide up to an additional seven days of opening assistance at Your request. The Fee for this opening assistance is set forth on Exhibit "A-3." You would also be responsible to cover the cost of travel, food, wages, lodging and other costs incurred for Our representatives during the training or assistance. We will not send any representatives to assist with this opening assistance until You have sent Us a valid certificate of occupancy for the Premises.

7.4 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business. We have the right to communicate directly with Your Operating Partner, general managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.5 Website Maintenance. We may choose to maintain a website for the Waffle Love® brand that will include Your business information and telephone number for Your location.

7.6 Advisory Committees. In Our sole discretion, We may choose to create franchisee committees to advise Us in various aspects of the System. Only franchisees who are in good standing and have maintained good standing for the six-month period prior to serving on a committee may serve on any advisory committee. Each committee will establish rules for admitting and retaining committee members, but the initial rules will be established by Us.

ARTICLE VIII
PURCHASE OF PRODUCTS

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those goods and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No product or service may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional services and products that are unique to Your area requires written approval from Us before such services and products are offered. You are prohibited from selling, leasing or offering any goods or services not authorized by Us in writing. For the purpose of this Article, "goods" means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.

8.2 Supplier Compensation. We or Our affiliate may derive revenue from the sale of required goods and services through mark-ups in prices We charge to You for goods and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such goods and services. Any monies paid to Us for goods or services are non-refundable. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any goods or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, and other data to permit Us to ascertain whether any such supplier meets Our specifications. We will notify You in writing within 12-days of completing Our evaluation as to whether that supplier has been approved. Prior to testing, You will be required to pay a non-refundable evaluation Fee (see Exhibit "A-3"), plus reimburse Us for all reasonable costs and expenses of testing whether or not the requested supplier is approved. The reimbursement is due within 30 days of completion of Our evaluation. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.

8.4 Equipment. You shall maintain such vehicles, supplies, and equipment of Your Franchise Business in good working order.

8.5 Vehicles. You must purchase or lease at least one vehicle(s) for the operation of Your Franchise Business. Your vehicle, which must be a van unless otherwise approved by Us, must be in good condition and repair with no external damage or unreasonable wear and tear, must not be more than 10 years old, must accommodate all the necessary equipment, must be kept clean and well maintained at all times, and must be approved by Us. You are solely responsible for providing the required licenses, insurance, maintenance, and upkeep for all vehicles.

8.5.1 Vehicle Wrap. You shall wrap Your vehicle with a high-quality wrap advertising Your Franchise Business as directed by Us. You shall keep Your vehicle wrap in good condition, free from unsightly or unprofessional wear and tear. Each vehicle used in the operation of Your Franchise Business must be wrapped no later than 30 days after signing this Agreement and must display the approved colors, logos and signage.

8.6 Warranties; Support. You must look to the respective manufacturers or suppliers for issues related to warranties defective products, training and support for any third-party goods purchased for Your Franchise Business. We do not provide any warranty for items purchased from Us. We may not replace defective items purchased directly from Us.

ARTICLE IX
MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You will promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals.

9.2 Standards and Procedures. We may establish, performance procedures, Recipes, standards and specifications for products, services and Marketing ("Standards") for the operation of Your Franchise Business. We may change these Standards at Our discretion and You must strictly follow and implement all such Standards within the periods required by Us.

ARTICLE X
MARKETING

10.1 Brand Development Fund. We have the right to institute, maintain and administer a national Marketing and brand development fund ("Brand Development Fund") upon 60 days prior written notice to You. The Brand Development Fund will be used for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market and promote the System. The Fees for the Brand Development Fund are listed in Exhibit "A-3." We can terminate or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds within the Marketing Fund.

10.1.1 Brand Development Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing, and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Brand Development Fund can be operated through an entity separate from Us that has all of Our rights and duties relating to the Brand Development Fund. We are not liable for any act or omission with respect to the Brand Development Fund or otherwise that is consistent with this Agreement, or which is done in subjective good faith. The Brand Development Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Brand Development Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Brand Development Fund to cover any deficits. The Brand Development Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

10.1.2 Use of Brand Development Fund Fees. We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the Brand Development Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Brand Development Fund activities. We may receive payment for providing goods or services to the Brand Development Fund. We reserve the right to use fees from the Brand Development Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused Brand Development Funds in any calendar year will be applied to the following years' fund. You may request (in writing) an unaudited annual report of Marketing expenditures within 90 days of the end of each year.

10.2 Marketing Cooperative. At such time as We determine that there are a sufficient number of franchises in an Marketing Area (defined below), as designated by Us, We may form a local and/or regional Marketing cooperative covering such areas as We, in Our discretion, deem appropriate, and We may disburse such funds as We believe appropriate from the Marketing Fund to any such local and/or regional Marketing cooperative for local and/or regional Marketing. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time.

10.2.1 Governing Documents and Financial Statements. We will develop or approve the governing documents and make them available to all franchisees within the cooperative area. The cooperative will be required to prepare annual unaudited financial statements, and these will be available to all franchisees in the Marketing cooperative for review.

10.2.2 Membership and Voting. Upon the formation of a local or regional Marketing cooperation, You will automatically be deemed to be a member of such association as covers the area in which Your Franchise Business is located and will be bound by any decisions made by the Marketing cooperative upon a majority rule by members voting. Voting will be on the basis of one vote per company or affiliate owned location or franchise unit in good standing in the Marketing cooperative. If We or affiliates have a company or affiliate owned restaurant unit in the Marketing Area, We or Our affiliate may also become a member of the association. A "Marketing Area" is defined as a market with two or more units in the same television, radio or newspaper market, as determined by Us.

10.2.3 Contributions. All franchisees within the Marketing cooperative area will be required to join and contribute to the fund pro rata based on the number of units in the cooperative. Contributions to the Marketing cooperative will be credited toward your local Marketing obligation. The cost of Marketing programs will be allocated among the members in the Marketing Area and each member must contribute equally to the local cooperative fund based on a per franchise unit basis in the Marketing Area. You will be required to contribute to the Marketing cooperative as determined by its voting members, but such Fees and costs will not exceed 3% of Your annual Gross Sales unless all voting members of the cooperative decide to exceed the limit.

10.3 Local Marketing Requirement. You are required to Market locally as set forth in Section 5.3.2 and Exhibit A-3. Other franchisees may advertise within your territory, and you may advertise using various media forms within other territories as specifically provided in the manuals.

10.3.1 Marketing Plan. Upon Our written request, You are required to provide an annual Marketing plan. If required, this plan must be updated and submitted to Us by November 1 of each year for the following year's local Marketing expenditures.

10.4 Sample Marketing and Promotional Materials. We may provide You samples of Marketing materials developed by Us from time to time. Additional copies will be made available at cost, plus 10% shipping and handling.

10.5 Your Obligations to Market. Neither We nor You are restricted from Marketing in the Territory. In addition, You are permitted to Market to customers in another franchisee's territory and other franchisees are permitted to Market in Your Territory.

10.5.1 Approval of Marketing. You may develop Marketing and promotional materials and digital Marketing programs for Your use at Your cost, but You must submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published and such other information as may be reasonably requested by Us. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed approved if You do not receive Our written approval or disapproval within 10 days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time. Any advertising or marketing you create may, upon written notice, become our property and will be considered "works for hire" that can be used by us or other franchisees. If you do not receive written approval or disapproval within 10 days of the date we received your submission of advertising materials, the materials submitted are deemed approved. We can revoke our approval of any marketing materials at any time in our sole discretion expressed in writing.

10.5.2 Marketing Compliance. All Your Marketing and promotional activities must be done in strict compliance with Our Manuals and Standards and in good taste and must reflect favorably upon the brand and System. You must submit to Us, prior to publication, copies of all Marketing, promotional and public relations materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published and such other information thereon as may be reasonably requested by Us. In addition, You agree to pay to Us a grand opening marketing Fee (see Exhibit "A-3") payable upon execution of this Agreement. You shall participate in all Marketing, email, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us.

10.6 Internet and Social Media. You may not create a website, apps, or Social Media, or similar electronic media whether now or later developed, or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. You are not allowed to create your own website, but You may create a landing page for use in connection with Our website. With Our prior permission, We may allow You to place pre-approved information concerning Your franchise business on Our website and social media, as developed by Us. Also with Our prior approval, You may be allowed to register listing on sites such as Yelp. You may not engage in Marketing on the Internet, Including posting items/services on third-party resale or auction style websites, Including eBay, Craigslist, Amazon, or use of apps, without Our prior written permission. If You receive permission from Us for Your own website, use of apps, or Social Media, or similar electronic media, all content must be pre-approved in writing by Us, and You may be required to use Our or other designated website designers to create the site for a fee, and any such website must be ADA compliant. You may be allowed to place pre-approved information concerning Your Franchise Business on Our website and Social Media, as developed by Us. You must provide Us all usernames, passwords and account information and any other information related to any of Your websites and Social Media and/or provide Us with administrator access, immediately upon Our request. Additionally, You must sign the Digital, Social Media, and Listings Authorization for Assignment attached as Exhibit "A-9." You may not claim, link, or frame, any web listing on sites such as Yelp, etc. To the extent that You have any web listings using Our Marks, You hereby assign such accounts to Us, and You must facilitate any transition and assignment with the online directory or Social Media platform within 30 days of signing this Agreement or of creating such listing. You must strictly comply with the policies and procedures established by Us regarding websites, Social Media and Internet Marketing. We can prohibit or condition any use by You of the Internet, or other digital, electronic or Social Media at Our discretion.

ARTICLE XI
BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure a default within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No Cure Period:

A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

B. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.

E. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, Including deception relating to the source, nature, or quality of goods sold or services provided.

F. Abandonment. You abandon Your Franchise Business or You state or clearly demonstrate any intent to not operate the Franchise Business.

G. Unauthorized Transfer. You Transfer or attempt to Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

H. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records, (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

I. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude, or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Our interest therein; or You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.

J. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

K. Termination of Lease Agreement. Your Lease for the Premises is terminated.

L. Illegal Drug Use/Intoxication on the Job. You or Your officers, directors, members, managers or principals use illegal drugs or abuse prescription medication or refuse to submit to a drug test. Additionally, You go to a job or provide services while intoxicated whether by use of alcohol, illegal or legal drugs.

M. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.

N. Unauthorized Modification. You modify in any degree by adding to or taking from or changing the contents, amounts, or flavor of any Recipe or other food item as well as using any substitute ingredients or procedures in violation of the Manuals or this Agreement.

O. Default of Another Agreement. You, or a related entity to You, default under the terms of any other agreement with Us.

24-Hour Cure Period

P. Health Code or Safety Violations. You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable governmental agency except for threats to the public safety which may be cause for immediate Termination.

5-Day Cure Period

Q. Unauthorized Closure or Relocation. Your Franchise Business is closed for a period of three or more consecutive business days or not open for the business hours as required under this Agreement for three or more business days in any 30-day period without Our prior written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your Franchise Business Premises without Our prior written approval.

R. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account.

15-Day Cure Period:

S. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

T. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

U. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

V. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

W. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period.

Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, Including, penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring action for the balance of any outstanding installment obligation due hereunder.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, Including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement; however, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII
TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee. To be compliant with Your Termination obligations, You shall sign a termination agreement in a form provided and acceptable by Us and You and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees, and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Waffle Love® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Trade Secret and Confidential Information and Products. Except as provided below in Paragraph 12.1.7, within five days, You must demonstrate with video proof sent to Us that You have permanently destroyed all information and/or products that We deem trade secret or confidential, or in the alternative, provide proof to Us that You have sold such products or information to Us or another System franchisee.

12.1.4 Disassociation. Within 15 days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, e-mail addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.5 Cancel DBA. Within 15 days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.6 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.

12.1.7 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail, (Including originals and any copies) physical copies of Our Manuals, all training materials, Marketing materials and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.8 Modification of Premises. If We do not exercise Our right to purchase Your Operating Assets or assume Your Lease upon Termination, then You shall alter, modify and change both the exterior and interior appearance of the Premises to Our satisfaction, so that it will be easily distinguished from a Waffle Love® business and shall cease using the signs, décor, displays, advertisements, promotional materials and the like that are unique or distinctive to the System.

12.1.9 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data for all current, prior and expectant customers of the Franchise Business.

12.1.10 Evidence of Compliance. Furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.11 Gift Card and Prepaid Services Reimbursement Fee. You must provide Us with an accounting and list of all outstanding gift cards, prepaid services, and gift certificates as of the date of Termination, and You shall refund all customer gift card, gift certificates, and prepaid services amounts as required under Your state's applicable laws. In the event We are required to or elect to provide those prepaid services to any customer, You shall pay Us the amount of the service or reimbursement, plus a Fee in each instance for Our time. Additionally, to the extent You do not reimburse the customer, You must reimburse Us the amount of unredeemed customer gift cards and gift certificates purchased from You. Subject to state law.

12.1.12 Pay Damages and Costs. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. In the event You fail to comply with this Section 12.1.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property or goodwill of the Franchise Business.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You must make the Premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (see Paragraph 13.1.1(i) below) if We, in Our sole discretion, choose to do so. If You fail to make the Premises available to Us, You will be assessed a Fee for the expense incurred by Us to enforce Our rights under this paragraph.

12.4.1 Fee for Non-Compliance; Payment of Our Costs in Securing Compliance. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations in this Article XIV: (a) You shall pay us a $100 per day fee or $1,500, whichever is greater if You fail to modify Your Premises; (b) in addition to the de-identification Fee, You agree to pay Us a Fee of $250 per day for each day that You are in default, as a reasonable estimate of the damages suffered by Us; and (c) to prevent further injury, We may hire a third-party or use Our own personnel to de-identify Your Premises and/or to carry out any other post-termination obligations on Your behalf, for which costs you will be responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. This post-termination Fee obligation will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete.

12.4.2 Additional Non-Compliance Costs. In addition to the daily post-termination non-compliance Fee, You will pay to Us: (a) the amount of expenses reasonably incurred by Us to perform any obligation that You failed to perform, calculated on hourly rates of Our personnel, and time, travel, lodging, food and other expenses where applicable; and (b) all damages, costs and expenses, Including attorneys' fees and costs incurred by Us in obtaining injunctive or other relief. Upon Your Termination, We have the right to transfer from Your account by EFT or other electronic withdrawal means, a payment of $5,000 in respect and anticipation of the post-termination non-compliance Fees and expenses referred to in Section 12.4. Upon completion of de-identification of the Premises to Our reasonable satisfaction and payment of the expenses provided in this Section 12.4, We will refund to You any unused portion of the $5,000 remaining. If the $5,000 is insufficient to satisfy Your monetary obligations to Us, You will pay the balance owing within 30 days of Our invoice to You.

12.4.3 Additional Equitable Remedies. The amounts contemplated under Section 12.5 do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.5 does not preclude and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.

12.5 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII
PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 30 days of the establishment of the price of the Operating Assets, whichever is later ("Option Period"), by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to off-set any amounts You owe to Us against the purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens or taxes, We may withhold a portion of purchase price to pay off such lien or taxes. We may also withhold 25% of the purchase price for 90 days to ensure that all other liabilities affecting the Operating Assets are paid.

13.1.1.1 Interim Management During Option Period. We have the right, but not the obligation, to use Your Operating Assets and Premises (if the Lease is still in effect, and in such case, We will obtain this right from the landlord as applicable), and to hire Your personnel to operate the business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but We will be using Your Operating Assets and the Premises to operate Our own, separate Waffle Love® business ("New Business") in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the Operating Assets as agreed, but not exceed fair market rental value, and if we use the Premises, We may pay rent directly to the landlord for Our use of the Premises. For any inventory or other items sold or consumed by Us during the Option Period, We will reimburse You the actual price You paid for such items. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations, and We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, Including attorney's fees, of or related in any way to the Franchise Business prior to Us operating the New Business at the Premises, and We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, We have the right to change the locks and exclude You from the Premises during this Option Period.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

ARTICLE XIV
SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You Without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, Including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers.

14.2.1 Transfers to Competitors Prohibited. You cannot Transfer any part of Your Franchise Assets to a Competing Business without Our written permission. Any such Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, Including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and Upon any proposed Transfer of Your Franchise Assets, or any interest in it therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall Pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement) there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. However, all guarantors will remain guarantors to this Agreement unless otherwise released by Us in Our sole discretion. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel are required to complete the necessary training required by Us. Any new owner with an ownership of 20% or more in Your Franchise Business or Your entity (along with their spouse or legal domestic partner must personally guarantee the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer.

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, Including assuming Your Lease obligations, if applicable, in a form acceptable to Us.

14.8.4 New Franchise Agreement. At Our discretion, the transferee must sign the then-current form of the franchise agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement and fully upgrade and refurbish the Franchise Business and Premises to the level required of new franchisees.

14.8.5 Training. The transferee and any new Operating Principal and other required personnel must pay for and complete the training program required of new franchisees. See Exhibit "A-3." The transferee will also be responsible for the cost of travel, food and lodging for Our representatives or the transferee's attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management. The cost of such training will be at Our standard rate for training new managers, plus the cost of travel, food and lodging for the trainers.

14.8.6 Transfer Fee. You shall pay the Transfer Fee set forth on Exhibit "A-3."

14.8.7 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.8 Gift Cards; Pre-paid Services. You must provide Us and the proposed transferee with an accounting and list of all outstanding gift cards, gift certificates, and pre-paid visits as of the date of Termination, which must be taken into account and handled as a part of the transfer agreement.

14.8.9 Survival of Covenants. Your non-competition, indemnity and confidentiality obligations and the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, Including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer, and data concerning Your Franchise Business, financials, employee information, and lease information, We will have 45 days in which to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee, or the majority owner of the franchisee entity (the term “incapacity” means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 160 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Partners or general managers or franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to Your death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You will execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership (without paying a transfer fee to Us), after at least 15 days' prior written notice to Us, if, prior to the Transfer: 1) Franchisee provides copies the entity's charter documents, by-laws (or operating agreement), ownership interests of the owners, and similar documents, as We may request; 2) You own all voting securities of the corporation or limited liability company; and 3) You remain as a personal guarantor to this Agreement. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer. You will reimburse Us for our reasonable legal fees and administrative costs related to the transfer.

ARTICLE XV
RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including its daily operations, managing and directing employees, contractors, and salespersons and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused by Our willful misconduct or gross negligence. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI
COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4." Your management personnel and personnel with access to the Recipes must execute Our Employee Brand Protection Agreement (see Exhibit "A-5"). (Although We provide You these forms, You are responsible to conform them to the laws and regulations of Your state.) A copy of all such agreements must be promptly delivered to Us within 10 days of hiring of the respective employee.

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including employees, without first receiving Our express written consent.

16.2.1 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.

16.2.2 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You have received information and met and corresponded with Our principals, agents and/or representatives and that any Confidential Information obtained or received as part of any prior meeting or correspondence is subject to the protection and restrictions of this Agreement.

16.3 Post-Term Covenants. Upon Termination of this Agreement, and for a continuous, uninterrupted period of two years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location within Your Territory or within 20 miles of Your Territory or within 20 miles of the territory of any Waffle Love® business operation at the time of Termination of this Agreement.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, or any former or then-current customer of Our (with whom You had contact during the term of this Agreement) for the purpose of soliciting from any such customer to a Competing Business. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation**.**

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.7. Our Remedies. If the post-term restrictions of this Article are unenforceable or are reduced to a level which We, in Our reasonable business judgment, find unacceptable, You shall, in addition to any other remedies available to Us, for a period of two years from the date of Termination of this Agreement, pay Us a fee of one-half of the royalties and Marketing Fees, that would be payable if the business in question was a Franchise Business.

16.8 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

ARTICLE XVII
DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Salt Lake City, Utah, or at Our then-current headquarters within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert or counsel for any party with respect to the Dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, any Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You thereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not Include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE XVIII
NOTICES

18.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	FRANCHISEE:
Waffle Love Franchises, LLC 2322 West 500 North, Suite L Springville, Utah 84663 (or Our then-current headquarters) Email: ADAM@WAFFLELOVE.COM With a courtesy copy to (which will not act as notice or service to Waffle Love Franchises, LLC): The Franchise & Business Law Group Attn: Kara K. Martin 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	____________________________ (Entity) ____________________________ (Attn to) ____________________________ (Address) ____________________________ Email:______________________

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX
CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake County, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX
MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which is beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this or Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises, or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform Standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between them or any of them and any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our franchise disclosure document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You will not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are the owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

ARTICLE XXI
DEFINITIONS

"Competing Business" means a business at in wholesale or retail, or a business offering products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System during the term hereof or at the time of Termination. Such products and services Include waffles, chicken (as less than 25% of your menu offerings), sandwiches, soups, salads, beverages, and desserts.

"Confidential Information" means any non-public information (through no fault of Yours) relating to Our products or services, or operation of a Waffle Love® business, the System, or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Waffle Love® businesses; (v) knowledge of, specifications for, and suppliers of, certain Waffle Love® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Waffle Love® businesses; (vii) Our strategic plans and concepts for the development, operation, or expansion of Waffle Love® businesses; (viii) the contents of Our Manuals; (ix) all Customer Data; (xi) login, passwords, access information, etc., to Our email accounts, Social Media, Manuals or other internal sites or shared documents (xii) Our Intellectual Property that is generally deemed confidential; (xiii) all Innovations; (xiv) Our Recipes; and (xv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

"Copyright Materials" means all writings, video and audio recordings, materials, artwork, websites, logos, Marketing materials, apps, and designs used with the Marks or in association with the System.

"Customer" or "Client" whether or not capitalized have interchangeable meanings in this Agreement.

"Customer Data" means any and all customers and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers' information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

"Dispute" any claim, controversy, disagreement, or dispute of any type whatsoever.

"Fees" refers to those fees, payments, and costs You are required to pay to Us, as more fully set forth on Exhibit "A-3."

"Franchise Assets" means this Agreement or any of its rights or privileges, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all of Your assets.

"Gross Sales" Includes the total of all sales of all products, merchandise, goods and services sold, traded, bartered, or rendered by You and income of every kind and nature Including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. "Gross Sales" excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

"Immediate Family" refers to and Includes each of Your spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

"Innovation" means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System Including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

"Including" or "Includes" means "including but not limited to," "including, without limitation," and similar all-inclusive and non-exhaustive meanings.

"Intellectual Property" means all Marks, trade dress, names, Copyrighted Materials, patents, patent applications, trade secrets, websites, Social Media, apps and software.

"Interim Management Period" refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

"Internet" means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

"Lease" means a commercial lease or other document of occupancy of the Premises.

"Manuals" means one or more guides or manuals, Including an operations manual, brand standards manual, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format.

"Marketing" or "Market" Includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research and other related processes.

"Marks" or "trademarks" means the federally registered and common law trademarks and service marks owned by Us or licensed to Us, whether now or later developed. "Marks" also Includes any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

"Operating Account" means that account into which all receipts of Your Franchise Business must be deposited.

"Operating Assets" means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

"Operating Partner" is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

"Participant" means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, licensor, or licensee.

"Principal" means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

"Recipes" means Our recipes, kitchen books, ingredients, flavors, compositions, mixes, batters, syrups, spices, sauces, fillings, frostings, toppings, dressings, cook temperatures, cook or mix times, measurements, menus, preparation techniques, methods and formulas, etc., related to Our food or drink products and menu items.

"Shall" when used in this Agreement, shall (even if not capitalized) means must or other similar affirmative obligation, as the context requires.

"Social Media" means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

"System" Includes the Franchise Business, specific Marks, interior and exterior design, store layout and décor, color schemes, standards, Manuals, Recipes, processes, services, know-how, operating procedures and Marketing concepts, business formats, specifications for and the use of certain equipment, the sale of products, food and supply items, and the use of proprietary and Confidential Information and other Intellectual Property.

"Termination" or "Terminate" Includes expiration, non-renewal, repurchase of Your rights, non-renewal, transfer, or any other means by which this Agreement is no longer in effect and You are no longer a franchisee of the Waffle Love® System.

"Transfer" Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

"We," "Our(s)" or "Us" only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 3.1, 3.5, 6.6, and 16.4, and Articles XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable, as applicable.

"You" or "Your" Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current members, Operating Partners, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

WE CANNOT RELIABLY PROJECT YOUR FUTURE PERFORMANCE, REVENUES OR PROFITS, AND YOU REPRESENT, COVENANT AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING YOUR SUCCESS AS A FRANCHISEE, AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF THE BUSINESS OPERATIONS UNDER THIS FRANCHISE AGREEMENT. THE SUCCESS OF YOUR BUSINESS IS LARGELY DEPENDENT ON YOUR PERSONAL EFFORTS.

WE EXPRESSLY DISCLAIM THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNING, INCOME, PROFITS, GROSS SALES, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF YOUR FRANCHISE BUSINESS.

YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO HAVE THIS AGREEMENT AND RELATED DOCUMENTS REVIEWED BY YOUR OWN ATTORNEY.

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:	**FRANCHISEE:**
WAFFLE LOVE FRANCHISES, LLC	______________________________
By: ______________________ (Signature)	By: ______________________ (Signature)
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________

If the franchisee is not an entity, each person must sign personally.

By: ________________________________
(Signature)

Name: ____________________, personally

By: ________________________________
(Signature)

Name: ____________________, personally

THE SIGNATURE OF EACH PERSON AND/OR COMPANY SIGNING THE FRANCHISE AGREEMENT MUST BE NOTARIZED

Company Acknowledgment:

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On this _____ day of __________________, 20___, personally appeared before me _____________________________, whose identity is personally known to me (or proven on the basis of satisfactory evidence) and who by me duly sworn/affirmed, did say that he or she is the manager/officer of _______________________________, and that said document was signed by him or her in behalf of said Company by authority of its members/shareholders, and said manager/officer acknowledged to me that said Company executed the same.

____
NOTARY PUBLIC

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On this __ day of ______________, 20___, before me, ____________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above Franchise Agreement individually.

____
NOTARY PUBLIC

STATE OF ________________ :
: .ss
COUNTY OF _______________ :

On this __ day of ______________, 20___, before me, ____________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above Franchise Agreement individually.

____
NOTARY PUBLIC

EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

SEARCH AREA AND TERRITORY:
(Map may be attached)

1. Your Search Area in which to locate Your Premises is as follows:

____
____

Information for 2 and 3 below is filled out ***after*** the Premises have been approved.

2. You approved Premises is to be located at:

____

____

3. Your Territory is ___ miles from Your approved Premises location in all driving directions.

Our approval of the Territory or a site is not a guarantee or a warranty of the potential success of a territory or a site.

____
Franchisee Initial and Date

____
Franchisor Initial and Date

EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

☐ Partnership	☐ Corporation
☐ Sole Proprietorship	☐ Limited Liability Company

Name of your entity: ____
The state in which your was formed: ______________________
Date of Formation: _____________________
EIN: _______________________________________

The names and addresses of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	**Address**	**Percentage of Ownership***

*Corporation: Percentage owned of outstanding voting stock.
*Partnership: Percentage owned in voting and in capital and profits.
*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type the information and add extra lines if necessary):

Name	**Title**

The address where Your company records are maintained is: _________________________
____.

The name and address of the Operating Partner who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to

work with Us and make decisions relating to the operations of the Franchise Business:
Name: ____
Address: ____
Email: ____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below.

Dated: ______________________________.

FRANCHISEE:

____

By: ______________________________
(Signature)

Name: ___________________________

Title: _____________________________

EXHIBIT "A-3"
TO THE FRANCHISE AGREEMENT

FEE CHART*

The following fees are more fully described in the Franchise Agreement.

Type of Fee*	Amount	Notes
Initial Franchise Fee	$30,000	See Section 5.1
Royalty	6% of Gross Sales	See Section 5.2
Brand Development Fee	1% of Gross Sales	See Paragraph 5.3.1
Successor Franchise Fee	$2,500	See Paragraph 2.2.4
Initial Franchise Fee for Additional Franchise Units	$25,000 for the second unit $20,000 3rd and each additional unit	
Local Marketing Requirement	2% of Gross Sales	See Paragraph 5.3.2
Late Fees	$25 per day up to $500 per late fee	See Paragraphs 5.4.2 and 5.4.3
Non-Sufficient Funds Fee	$50 per bounced check or draft, or the maximum allowed by state law	See Paragraph 5.4.2
Sales or Use Tax	Sum equal to tax imposed	See Paragraph 5.4.5
Audit Charge	Cost of audit	See Paragraph 5.5.2
System Non-Compliance Fines and Charges	Amounts to be specified in the Manuals. Ranging between $50 and $200	See Section 5.9
Technology Fee	$250 per year, payable monthly	See Section 5.11
Additional Trainees at Initial Training	$1,000 per person/per week	See Paragraph 6.1.4
Retraining Initial Training	$250 per person/per day	See Paragraph 6.1.4
New Operating Partner or Management Training	$250 per person/per day	See Paragraph 6.1.4(i)
Additional In-Person Training or Assistance	$250 per person/per day	See Paragraph 6.1.4(ii)
Brand Training	$250 per person/per day	See Paragraph 6.1.4(iii)
Insurance Reimbursement Fee	Varies	See Paragraph 6.1.11
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.13(iv)
Conference Fee	As determined by Us	See Paragraph 6.1.14
Seminar Fee	$250 to $500	See Paragraph 6.1.14
Customer Complaint Resolution Fee	Any reimbursement to a customer, plus $50 per hour	See Paragraph 6.2.2(vi)
Compliance Inspection Fee	$250 per day	See Paragraph 6.2.2(iv)
Interim Management Fee	$250 per person/per day plus 20% Gross Revenue	See Paragraph 6.2.3 and 14.10
Mystery Shopper Service	$50 per visit or other use of service	See Paragraph 6.2.4
Grand Opening Assistance Fee	$2,500 per week	See Paragraph 7.3.1

Supplier Evaluation Fee	$500, plus Our reasonable expenses	See Section 8.3
Additional Copies of Marketing Materials	Our reasonable costs, plus 10%, and the costs for shipping and handling	See Section 10.4
Fees on Default	Attorney's fees, costs, interests and audit costs	See Section 11.2
Post Termination Enforcement Fees	Varies	See Paragraph 12.1.8
Gift Card and Prepaid Services Reimbursement Fee	Up to $100 per occurrence, plus amount of unredeemed gift cards	See Section 12.1.13
Post-Termination Non-Compliance Fee	$250 per day	See Section 12.4.2
Transfer Fee*	$5,000	See Section 14.5
Transferee Training Fee*	$5,000 for up to 2 people	See Section 14.5
Minority Interest Transfer Fee*	Legal and corporate fees and costs incurred	See Section 14.6
Indemnification	Varies	See Section 15.2
Dispute Resolution Fees	Varies	See Section 17.2 and Section 19.3

* If a fee is subject to change by Us rather than by a third party, the increase will not be more than the equivalent of 5% per year during the term of this Agreement. Costs or fees charged by third parties are subject to change at any time and do not have an annual cap.

EXHIBIT "A-4"
TO THE FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the "Agreement") is entered into and made effective as of the effective date listed below by WAFFLE LOVE FRANCHISES, LLC ("Franchisor") and the undersigned ("Principals").

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to operate a Waffle Love® Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor ("Franchise Business"); and

WHEREAS, Principals will have access to certain parts of the Confidential Information; and

WHEREAS, Franchisor has developed Confidential information and Recipes for the operation of a Waffle Love™ Franchise Business and may continue to develop new Recipes and revise current Recipes for use in association with the Waffle Love® System; and

WHEREAS, Principals will have access to certain parts of the confidential and proprietary Recipes; and

WHEREAS, Principals recognize the value of the System the Recipes and the importance of keeping the Recipes confidential, and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognizes that the Franchisor's entering into the Franchise Agreement is conditioned upon Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principal or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information and made available to Principals that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, Principals and any of a Principal's Immediate Family, shall not, during the term of the Franchise Agreement and any Successor Franchise or Successor Franchise Agreement or any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Proprietary Information, including restrictions on disclosure to employees and

other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.2 Employee Use of Recipes. Each employee authorized to use the Recipes in the operation of the Franchise will be required to sign a confidential Recipe agreement prior to use of the Recipes. Furthermore, Principals represent and warrant that they shall only authorize employees over the age of 18 to use or have access to the Recipes. All managers must sign a confidentiality agreement that contains a confidential Recipe agreement. A form of such agreement will be provided by Franchisor, and a copy of all such signed agreements will be promptly (within 10 days) provided to Franchisor.

2.3 No Reverse Engineering. Principal shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any Recipe, and shall not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of Agreement, reverse engineering Includes any deviations from or minimal changes to the Recipes such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.4 Limited Use. Principal shall limit their use of the Confidential Information to times, places, and circumstances as directed by Franchisor only. This limitation Includes Principal's use, whether in part or in whole, of the Confidential Information (and including Principal's use of the Recipes for personal consumption) and shall not use the Confidential Information for any personal use or gain.

3. Non-Competition; Non-Solicitation. Waffle Love® The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and Principals' Immediate Family, shall not be a Participant, assist or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location, except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of Principals' rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business and for a continuous, uninterrupted period of three years thereafter, Principals, and Principal's Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business, in any capacity, territory, or location within the Territory or within 20 miles of the Territory or within 20 miles of the territory of any System franchise or Waffle Love® business operation at the time of Termination of the Franchise

Agreement. The ownership of not more than two percent of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principal agrees that the Franchise Business attracts customers from up to 20 miles, and that such geographical restraint is not unreasonable.

4. Non-Solicitation of Customers. Subject to applicable state law, Principals and each of Principal's Immediate Family, shall not, directly or indirectly, during the term of the Franchise Agreement and any extensions or Successor Franchise and for three years thereafter, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise agreement) or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

5. Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal's violation.

6. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the Franchise Business, each Principals agree to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Waffle Love® Manuals and any and all Confidential Information, and other information or documents or property relating to the System.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

8. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will Include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

9. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agrees that proper jurisdiction and venue for all dispute resolution will be exclusively in the state and federal courts of Salt Lake City, Utah.

10. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

11. Binding Agreement. This Agreement will bind the successors and assigns of Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by Principals and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principals will survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

13. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

14. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, i.e., spaces that are not in a bathroom, changing room, etc.

15. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

[Remainder of page intentionally left blank; signature page follows]

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED____________________.

FRANCHISOR:	**PRINCIPAL:**
WAFFLE LOVE FRANCHISES, LLC	____________________________
By: ____________________________ (Signature)	By: ____________________________ (Signature)
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________

[Signature Page to Brand Protection Agreement for Principals]

EXHIBIT "A-5"
TO THE FRANCHISE AGREEMENT

EMPLOYEE BRAND PROTECTION AGREEMENT

THIS EMPLOYEE BRAND PROTECTION AGREEMENT is entered into as of ______________________________, between _____________________ ("Franchisee") and ("Employee"), residing at ____ ____.

A. Franchisee is the holder of a Waffle Love® franchise and as such is the beneficiary of certain confidential and proprietary information ("Proprietary Information") of Waffle Love Franchises, LLC ("Franchisor").

B. Franchisor has developed confidential and proprietary Recipes (Recipes are included as part of the Proprietary Information) for the operation of a Waffle Love® Franchise Business and will continue to develop new Recipes and revise current recipes and other menu items for use in association with the Waffle Love® System.

C. Employee may have access to the confidential and proprietary Recipes.

D. Employee may in the course of his or her employment by Franchisee have access to such proprietary information.

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee that are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its franchise. Employee further acknowledges that such confidential information was not known to him or her prior to the association with Franchisee or its Waffle Love® franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee will not, during the course of his or her employment and thereafter in perpetuity, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the business or interest of Franchisee or Franchisor, which he or she knows or reasonably should know is regarded as confidential to Franchisee or Franchisor, including, without limitation, trade secrets, recipes, mixes, sauces, techniques, food preparation, store guide, teaching methods, standards, merchandising, marketing, sale of products and services, specifications, suppliers, pricing, accounting systems, procedures, sales, income, specifications, products, manuals, business plans, and customer lists that relate to Franchisee's business, the Waffle Love® System.

2.1 Use of Recipes. Each employee authorized to use the Recipes in the operation of the Franchise will be required to sign a confidential recipe agreement prior to use of the Recipes. Furthermore, Employee represents and warrants that it will only authorize employees over the age of 18 to use or have access to the Recipes. A copy of all such signed agreements will be promptly (within 10 days) provided to both Franchisee and the Franchisor.

2.2 No Reverse Engineering. Employee will not either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any Recipe, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Confidentiality Agreement, reverse engineering will include any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.3 Duty to Notify. Employee agrees to notify Franchisee and/or Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agrees to require all employees to report to it any reasonably suspected attempts to violate this Confidentiality Agreement. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement, Employee agrees to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.4 Limited Use. Employee must limit his/her use of the Recipes, Including, their recollection of the Recipes, to the performance of their duties as described in the Franchise Agreement, the Manuals, and any policies and procedures implemented by the Franchisor.

3. Non-Competition. Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in or become an owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any business offering or selling products or services the same or substantially similar to a Waffle Love® business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 10 mile radius of Franchisee's place of business or within a 10 mile radius of any Waffle Love Waffle Love® franchise or business operation. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

4. Non-Solicitation of Customers. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any customer or former customer of Franchisee for the purpose of soliciting such customer to be a customer of a business that is the same as or substantially similar to the business conducted between Franchisee and the customer.

5. Return of Materials. At the termination of employment, Employee agrees to deliver to Franchisee (and will not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) the Waffle Love® manuals and any and all records, data, designs, photographs, Recipes, notes, reports, proposals, lists, correspondence, specifications, materials, equipment, other documents or property, or reproductions of any such items belonging to Franchisor or Franchisee, or either of their successors or assigns relating to the Waffle Love® business or the System.

6. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 5 above, inclusive, without proof of actual

damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

7. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

8. Binding Agreement. This Agreement will bind the successors and assigns of Franchisee and the heirs, personal representative, successors and assigns of Employee. No rights under this Agreement will be assignable by Employee and any purported assignment will be null and void and of no force or effect.

9. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of this Agreement.

10. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed and dated by the parties.

11. Waiver. Employee understands and acknowledges that Franchisee may employ the use of cameras at the business premises, and Employee waives any expectation of privacy in non-private areas of the business premises, i.e., spaces that are not in a bathroom, changing room, etc.

12. Counterpart Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

13. Third-party Beneficiary. It is agreed and acknowledged that Waffle Love Franchises, LLC is a third party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

DATED____________________________.

FRANCHISEE:	**MANAGEMENT EMPLOYEE:**
______________________________	______________________________
By: ____________________________ (Signature)	By: ____________________________ (Signature)
Name: __________________________	Name: __________________________
Title: __________________________	Title: __________________________

EXHIBIT "A-6"
TO THE FRANCHISE AGREEMENT

LANDLORD'S CONSENT TO ASSIGNMENT

___________________________ ("Landlord") hereby consents to an assignment of the lease agreement ("Lease Agreement") to Waffle Love Franchises, LLC ("Franchisor") for the purpose of securing the obligations of ________________________________ ("Lessee" and Franchisor's franchisee) to Franchisor. In the event of Lessee's breach of the Lease Agreement, Landlord agrees to provide Franchisor with written notice of any breach of the Lease Agreement that Landlord is required to provide to Lessee. Further, Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor an opportunity, but not the obligation, to cure said breach for an additional 10 days beyond the applicable cure period granted to the Lessee under the Lease Agreement.

Landlord agrees to provide Franchisor with all information relating to amounts owing, settlement agreements, and all matters related to the Lease Agreement within five days of written request from Franchisor.

Landlord agrees that the Lease Agreement or franchise agreement is terminated, Franchisor will have the right, but not the obligation, within 90 days after termination of the Lease Agreement or franchise agreement, to take possession of the premises, and to assume or reassign the Lease Agreement, or sublet the premises to another franchisee for the remaining term of the Lease Agreement; provided that Landlord will have the right to reasonably approve such reassignment or subletting.

Landlord further covenants that so long as Franchisor has not entered into possession of the leased premises, Franchisor will not be liable for rent or any other obligation under the Lease Agreement, but that Landlord will look to Lessee for all obligations under the Lease Agreement.

Landlord agrees to include the terms of the attached lease rider in the Lease Agreement.

Notices to Franchisor will be sent to: Waffle Love Franchises, LLC, 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003.

Dated as of ________________________.

Landlord Contact Information:

Contact Person: ___________________________________
Mailing Address: __________________________________
____
Email: __________________________________
Phone: _________________________________

LANDLORD:

By: ___________________________________
Title: __________________________________
Name: _________________________________

Date: __________________

EXHIBIT “A-7”
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: ______________________________

I hereby authorize Waffle Love Franchises, LLC hereinafter called (“Company”), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called (“Depository”), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: ___________________________ Branch: ________________________________

City: ___________________________________ State: _________________ Zip Code: ___________

Routing Number: _________________________ Account Number: ____________________________

Type of Account: Checking/Savings: _______________________________________

This authorization is to remain in full force and effect until the Company has received written notification from me of its termination in such time and in such manner as to afford Company and Depository a reasonable opportunity to act on it.

Name: ____
(please print)

Title: ____

Signature: ____________________________________ Date: __________________________

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

EXHIBIT "A-8"
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is entered into and made effective as of ______________________ by and between WAFFLE LOVE FRANCHISES, LLC ("We," "Us" or "Our") and the undersigned Guarantor(s) ("Guarantor(s)") owners of ________________________ (the "Business Entity") and their spouses or legal domestic partner (collectively and individually referred to as "spouse").

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _________________ (the "Franchise Agreement"), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantee to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)' execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)' capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)' direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)' liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)' liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Spouse's Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Franchise Agreement and Guarantor(s)' performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts Including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature	**Spouse Signature**	**Contact Information for Notice**
By: ______________________	By: ______________________	_________________________
Name: ___________________	Name: ____________________	_________________________ _________________________
By: ______________________	By: ______________________	_________________________
Name: ___________________	Name: ____________________	_________________________ _________________________
By: ______________________	By: ______________________	_________________________
Name: ___________________	Name: ____________________	_________________________ _________________________

THE SIGNATURE OF EACH PERSON SIGNING
THE PERSONAL GUARANTY MUST BE NOTARIZED

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On the ________ day of ______________, 20___, personally appeared before me ________________, who duly acknowledged to me that he or she executed the above guaranty individually.

____
NOTARY PUBLIC

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On this ____ day of ______________, 20___, before me, ___________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above guaranty individually.

____
NOTARY PUBLIC

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On this ____ day of ______________, 20___, before me, ___________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above guaranty individually.

____
NOTARY PUBLIC

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On this ____ day of ______________, 20___, before me, ___________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above guaranty individually.

____
NOTARY PUBLIC

STATE OF _________________ :
: .ss

COUNTY OF _______________ :

On this ____ day of ______________, 20___, before me, ___________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above guaranty individually.

____
NOTARY PUBLIC

STATE OF _________________ :
: .ss
COUNTY OF _______________ :

On this ____ day of ______________, 20___, before me, ___________________, a notary public, personally appeared ___________________________, who duly acknowledged to me that he or she executed the above guaranty individually.

____
NOTARY PUBLIC

EXHIBIT "A-9"
TO THE FRANCHISE AGREEMENT

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION ("Assignment") is made and entered into as of the Effective Date (defined below), by and between the undersignedFranchisee and Waffle Love Franchises, LLC ("Franchisor").

RECITALS

WHEREAS, Franchisee has entered into a Waffle Love® Franchise Agreement ("Franchise Agreement"); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Waffle Love® trademark, trade names, trade dress, and other associated intellectual property (collectively, the "Marks") in conjunction with Franchisee's Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including, Franchisee's Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, and Tumblr, email accounts, and the like (collectively the "Social Media Accounts"). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor's sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL's, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively "Telephone Listings").

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Telephone Listings:

   a. Franchisee has the right to assign the Social Media Accounts and Telephone Listings and they are free and clear of all liens and encumbrances.

   b. Franchisee shall not, after Termination of the Franchise Agreements attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Telephone Listings.

c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts.

d. Franchisee has not taken, or permitted, and shal not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and Telephone Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Account. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Telephone Listings to Franchisor hereunder.

5. This Assignment applies to all Social Media Accounts and Telephone Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Telephone Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Telephone Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.

FRANCHISEE:	**FRANCHISOR:**
___________________________________	Waffle Love Franchises, LLC
By: ________________________________ (Signature)	By: ______________________________ (Signature)
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________
Date: _____________________________	Date: _____________________________

EXHIBIT "A-10"
TO FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.

2. 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.)

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 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.

7. You must sign a general release if you transfer, renew or terminate 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).

8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

9. No statement, questionnaire, or acknowledgement 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.

10. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."

EXHIBIT “B”
TO THE FDD

TABLE OF CONTENTS FOR OPERATIONS MANUAL

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Description Page(s)

EXHIBIT “C”
TO THE FDD

FINANCIAL STATEMENTS
(Attached)

Dated:
December 31, 2022
December 31, 2021
December 31, 2020

***UNAUDITED FINANCIAL STATEMENTS**
Dated April 17, 2023, for the period of January through March 2023

*THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Waffle Love Franchises, LLC

Financial Statements
with Report of Independent Auditors

December 31, 2022 and 2021

Traveller &

Company, LLC

Certified Public Accountants
500 North Marketplace Drive Suite 270
Centerville, Utah 84014

Waffle Love Franchises, LLC

Financial Statements

December 31, 2022 and 2021

Contents

Traveller & Company LLC
Certified Public Accountants

500 North Marketplace Drive, Suite 270
Centerville, Utah 84014
Phone (801) 299-1302
Fax (801) 401-7985

Report of Independent Auditors

To the Members of
Waffle Love Franchises, LLC:

We have audited the accompanying financial statements of Waffle Love Franchises, LLC (the "Company") which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and changes in members' equity, and cash flows for the years then ended, and 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 Waffle Love Franchises, 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. 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 Waffle Love Franchises, 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 the 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 Waffle Love Franchises, LLC's ability to continue as a going concern within 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Waffle Love Franchises, 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 Waffle Love Franchises, 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.

Traveller & Company, LLC

Traveller & Company, LLC
May 24, 2023

Waffle Love Franchises, LLC

Balance Sheets

December 31, 2022 and 2021

		2022		2021
Assets				
Current assets:				
Cash and cash equivalents	**$**	**34,662**	$	6,967
Accounts receivable		**19,494**		14,295
Total current assets		**54,156**		21,262
Fixed assets, net		**7,833**		9,833
Note receivable - related party		**68,025**		44,959
Total assets	**$**	**130,014**	$	76,054
Liabilities and members' equity				
Current liabilities:				
Accounts payable	**$**	**5,759**	$	—
Commitments and contingencies		**—**		—
Members' equity		**124,255**		76,054
Total liabilities and members' equity	**$**	**130,014**	$	76,054

See accompanying notes to financial statements.

Waffle Love Franchises, LLC

Statements of Income and Changes in Members' Equity

Years Ended December 31, 2022 and 2021

	2022	2021
Income:		
Royalties	**$ 86,837**	$ 80,911
Franchise fees	**5,000**	—
Other income	**2,769**	20,837
Total income	**94,606**	101,748
General and administrative expenses	**46,405**	42,110
Net income	**48,201**	59,638
Members' equity - beginning of year	**76,054**	41,711
Distributions	**—**	(25,295)
Members' equity - end of year	**$ 124,255**	$ 76,054

See accompanying notes to financial statements.

Waffle Love Franchises, LLC

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Operating activities		
Net income	**$ 48,201**	$ 59,638
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**2,000**	167
Changes in assets and liabilities:		
Accounts receivable	**(5,199)**	7,810
Notes receivable - related party	**(23,066)**	(44,959)
Accounts payable	**5,759**	(7,230)
Net cash provided by operating activities	**27,695**	15,426
Investing activities		
Purchase of equipment	—	(10,000)
Net cash used in investing activity	—	(10,000)
Financing activities		
Members' distributions	—	(25,295)
Net cash used in financing activities	—	(25,295)
Net increase (decrease) in cash and cash equivalents	**27,695**	(19,869)
Cash and cash equivalents, at beginning of year	**6,967**	26,836
Cash and cash equivalents, at end of year	**$ 34,662**	$ 6,967

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization and Business Description

Waffle Love Franchises, LLC (a limited liability company) (the "Company") was organized on February 15, 2017, as a franchisor of Waffle Love franchises. The Company currently has four locations in the United States.

Franchise Revenue

The Company collects an initial, non-refundable franchise fee, payable when the franchise agreement is signed. The fee is fully earned upon receipt of the payment and the signed agreement.

Every ten years, franchisees may pay a renewal fee that allows the franchisee to continue to operate as a franchise for an additional term of ten (10) years. This fee is amortized over the life of the renewal agreement.

The Company receives royalty income of six percent of monthly sales at each location. These amounts are recognized as income each month. At its discretion, the Company may also charge a one percent monthly marketing fee. At this time, no marketing fees are assessed by the Company.

Adoption of New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, *Leases (ASC Topic 842)*. This new standard established a right-of-use ("ROU") model that requires a lessee to recognize assets and liabilities on the balance sheet for all leases with lease terms greater than 12 months. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2021, and early adoption is permitted. Accordingly, ASU 2016-92 is effective for the Company's year ending December 31, 2022, using a modified retrospective approach. Since the Company has no leases, Management has determined that this pronouncement does not apply.

Cash and Cash Equivalents

The Company considers all liquid debt instruments with original maturities of three months or less to be cash equivalents.

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consisted of amounts due from franchisees for royalty payments and franchise agreements. The amounts are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible accounts receivable are charged off after all reasonable collection efforts have been made. Accounts receivable are deemed to be past due when payments are more than 30 days late. The Company believes all receivables are fully collectible and does not have an allowance for doubtful accounts.

Fixed Assets

Fixed assets are recorded at cost and are depreciated on the straight-line method over the estimated useful life of the assets.

Income Taxes

The Company is a Limited Liability Corporation; as such, the Company will not be responsible for income taxes on the company level. Instead, its taxable income will be included on the members' personal tax returns.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

In February 2022, a lawsuit was filed against the owner of Waffle Love Franchises, LLC. The outcome of the lawsuit cannot be determined at this time.

Management of the Company has evaluated subsequent events that may require disclosure in these financial statements through May 24, 2023, the date of financial statement issuance.

2. Fixed Assets

Fixed assets are recorded at cost and consisted of the following at December 31:

	2022	**2021**
Vehicle	**$ 10,000**	$ 10,000
Less accumulated depreciation	**(2,167)**	(167)
	$ 7,833	$ 9,833

Depreciation expense for the years ended December 31, 2022 and 2021 was $2,000 and $167, respectively.

3. Note Receivable – Related Party

At December 31, 2022 and 2021, the Company had a note receivable due from a related party totaling $68,025 and $44,959, respectively. The receivable bears no interest and is due in full during 2024.

Waffle Love Franchises, LLC

Financial Statements
with Report of Independent Auditors

December 31, 2021 and 2020

T r a v e l l e r &

C o m p a n y, L L C

Certified Public Accountants
500 North Marketplace Drive Suite 202
Centerville, Utah 84014

Waffle Love Franchises, LLC

Financial Statements

December 31, 2021 and 2020

Contents

Traveller & Company LLC
Certified Public Accountants

500 North Marketplace Drive, Suite 202
Centerville, Utah 84014
Phone (801) 299-1302
Fax (801) 401-7985

Report of Independent Auditors

To the Members of
Waffle Love Franchises, LLC:

We have audited the accompanying financial statements of Waffle Love Franchises, LLC (the "Company") which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income and changes in members' equity, and cash flows for the years then ended, and 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 Waffle Love Franchises, LLC as of December 31, 2021 and 2020, 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. 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 Waffle Love Franchises, 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 the 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 Waffle Love Franchises, LLC's ability to continue as a going concern within 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Waffle Love Franchises, 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 Waffle Love Franchises, 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.

Traveller & Company, LLC

July 5, 2022

Waffle Love Franchises, LLC

Balance Sheets

December 31, 2021 and 2020

		2021		2020
Assets				
Current assets:				
Cash and cash equivalents	**$**	**6,967**	$	26,836
Accounts receivable		**14,295**		22,105
Total current assets		**21,262**		48,941
Fixed assets, net		**9,833**		—
Note receivable - related party		**44,959**		—
Total assets	**$**	**76,054**	$	48,941
Liabilities and members' equity				
Current liabilities:				
Accounts payable	**$**	—	$	7,230
Commitments and contingencies		—		—
Members' equity		**76,054**		41,711
Total liabilities and members' equity	**$**	**76,054**	$	48,941

See accompanying notes to financial statements.

Waffle Love Franchises, LLC
Statements of Income and Changes in Members' Equity
Years Ended December 31, 2021 and 2020

		2021		2020
Income:				
Franchise fees	**$**	**—**	$	5,000
Royalties		**80,911**		44,829
Other income		**20,837**		—
Total income		**101,748**		49,829
General and administrative expenses		**42,110**		5,729
Net income		**59,638**		44,100
Members' equity - beginning of year		**41,711**		4,257
Distributions		**(25,295)**		(6,646)
Members' equity - end of year	**$**	**76,054**	$	41,711

See accompanying notes to financial statements.

Waffle Love Franchises, LLC

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Operating activities		
Net income	**$ 59,638**	$ 44,100
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**167**	—
Changes in assets and liabilities:		
Accounts receivable	**7,810**	(19,597)
Notes receivable - related party	**(44,959)**	—
Accounts payable	**(7,230)**	7,230
Net cash provided by operating activities	**15,426**	31,733
Investing activities		
Purchase of equipment	**(10,000)**	—
Net cash used in investing activity	**(10,000)**	—
Financing activities		
Members' distributions	**(25,295)**	(6,646)
Net cash used in financing activities	**(25,295)**	(6,646)
Net increase (decrease) in cash and cash equivalents	**(19,869)**	25,087
Cash and cash equivalents, at beginning of year	**26,836**	1,749
Cash and cash equivalents, at end of year	**$ 6,967**	$ 26,836

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization and Business Description

Waffle Love Franchises, LLC (a limited liability company) (the "Company") was organized on February 15, 2017, as a franchisor of Waffle Love franchises. The Company currently has three locations in the United States.

Franchise Revenue

The Company collects an initial, non-refundable franchise fee, payable when the franchise agreement is signed. The fee is fully earned upon receipt of the payment and the signed agreement.

Every ten years, franchisees may pay a renewal fee that allows the franchisee to continue to operate as a franchise for an additional term of ten (10) years. This fee is amortized over the life of the renewal agreement.

The Company receives royalty income of six percent of monthly sales at each location. These amounts are recognized as income each month. At its discretion, the Company may also charge a one percent monthly marketing fee. At this time, no marketing fees are assessed by the Company.

Adoption of New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, *Leases (ASC Topic 842)*. This new standard established a right-of-use ("ROU") model that requires a lessee to recognize assets and liabilities on the balance sheet for all leases with lease terms greater than 12 months. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2021, and early adoption is permitted. Accordingly, ASU 2016-92 is effective for the Company's year ending December 31, 2022, using a modified retrospective approach. Management is determining the impact of the pronouncement at this time

Cash and Cash Equivalents

The Company considers all liquid debt instruments with original maturities of three months or less to be cash equivalents.

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consisted of amounts due from franchisees for royalty payments and are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible accounts receivable are charged off after all reasonable collection efforts have been made. Accounts receivable are deemed to be past due when payments are more than 30 days late. The Company believes all receivables are fully collectible and does not have an allowance for doubtful accounts.

Fixed Assets

Fixed assets are recorded at cost and are depreciated on the straight-line method over the estimated useful life of the assets.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Commitments and Contingencies

In December 2019, a novel strain of coronavirus disease ("COVID-19") was first reported in Wuhan, China and the World Health Organization has since declared this to be a pandemic. This pandemic had an impact on the Company’s markets and customers, which in turn had an adverse effect on the Company's business, results of operations, financial condition, and cash flows. However, through the later part of 2020 and into the current year, sales have continued to grow. As of the report date, Company management is of the opinion that the Company will successfully manage through this evolving situation.

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

In February 2022, a lawsuit was filed against the owner of Waffle Love Franchises, LLC. The outcome of the lawsuit cannot be determined at this time.

Management of the Company has evaluated subsequent events that may require disclosure in these financial statements through July 5, 2022, the date of financial statement issuance.

2. Operating Locations

The Company's franchisee locations were as follows at December 31:

	2021	**2020**
Number of locations in operation	**3**	3
Locations opened during year	**0**	0
Locations closed during year	**0**	0
New franchise agreements during year	**0**	0
Franchise agreements in progress	**0**	0

During the year ended December 31, 2020, the Company had one franchisee where ownership transferred to another party. The Company received a transfer fee of $5,000 and that amount is included in franchise fees income on the accompanying financial statements.

3. Fixed Assets

Fixed assets are recorded at cost and consisted of the following at December 31:

	2021	**2020**
Vehicle	**$ 10,000**	$ -
Less accumulated depreciation	**(167)**	(-)
	$ 9,833	$ -

Depreciation expense for the years ended December 31, 2021 and 2020 was $167 and $0, respectively.

4. Note Receivable – Related Party

At December 31, 2021 and 2020, the Company had a note receivable due from a related party totaling $44,959 and $0, respectively. The receivable bears no interest and is due in full during 2024.

Waffle Love Franchises, LLC

Financial Statements
with Report of Independent Auditors

December 31, 2020

Traveller & Company, LLC

Certified Public Accountants
500 North Marketplace Drive Suite 202
Centerville, Utah 84014

Waffle Love Franchises, LLC

Financial Statements

December 31, 2020

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Traveller & Company LLC
Certified Public Accountants

500 North Marketplace Drive, Suite 202
Centerville, Utah 84014
Phone (801) 299-1302
Fax (801) 401-7985

Report of Independent Auditors

To the Members of
Waffle Love Franchises, LLC:

We have audited the accompanying financial statements of Waffle Love Franchises, LLC, which comprise the balance sheet as of December 31, 2020, and the related statements of income and changes in members' equity, and cash flows for the year then ended, and related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used in the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waffle Love Franchises, LLC as of December 31, 2020, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Waffle Love Franchises, LLC has adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, for the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

Traveller & Company, LLC

April 12, 2021

Waffle Love Franchises, LLC
Balance Sheet
December 31, 2020

Assets		
Current assets:		
Cash and cash equivalents	$	26,836
Accounts receivable		22,105
Total assets	$	48,941
Liabilities and members' equity		
Current liabilities:		
Accounts payable	$	7,230
Commitments and contingencies		—
Members' equity		41,711
Total liabilities and members' equity	$	48,941

See accompanying notes to financial statements.

Waffle Love Franchises, LLC
Statement of Income and Changes in Members' Equity
Year Ended December 31, 2020

Income:		
Franchise fees	$	5,000
Royalties		44,829
Total income		49,829
General and administrative expenses		5,729
Net income		44,100
Members' equity - beginning of year		1,395
Distributions		(3,784)
Members' equity - end of year	$	41,711

See accompanying notes to financial statements.

Waffle Love Franchises, LLC

Statement of Cash Flows

Year Ended December 31, 2020

Operating activities		
Net income	$	44,100
Changes in assets and liabilities:		
Accounts receivable		(22,459)
Accounts payable		7,230
Net cash provided by operating activities		28,871
Financing activities		
Members' distributions		(3,784)
Net cash used in financing activities		(3,784)
Net increase in cash and cash equivalents		25,087
Cash and cash equivalents, at beginning of year		1,749
Cash and cash equivalents, at end of year	$	26,836

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization and Business Description

Waffle Love Franchises, LLC (a limited liability company) (the "Company") was organized on February 15, 2017 as a franchisor of Waffle Love franchises. The Company currently has three locations in the United States.

Franchise Revenue

The Company collects an initial, non-refundable franchise fee, payable when the franchise agreement is signed. The fee is fully earned upon receipt of the payment and the signed agreement.

Every ten years, franchisees may pay a renewal fee that allows the franchisee to continue to operate as a franchise for an additional term of ten (10) years. This fee is amortized over the life of the renewal agreement.

The Company receives royalty income of six percent of monthly sales at each location. These amounts are recognized as income each month. At its discretion, the Company may also charge a one percent monthly marketing fee. At this time, no marketing fees are assessed by the Company.

Adoption of New Accounting Standard

Beginning with the year December 31, 2020, The Company has adopted the Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Under the standard, revenue is recognized based on a five-step model. The core principle of the model is that revenue will be recognized when the transfer of promised goods or services to customers is made in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. Refer to the Franchise Revenue section above. Management has determined that this standard does not have an effect on its revenue recognition process.

In February 2016, the FASB issued ASU 2016-02, *Leases (ASC Topic 842).* This new standard established a right-of-use ("ROU") model that requires a lessee to recognize assets and liabilities on the balance sheet for all leases with lease terms greater than 12 months. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2000, and early adoption is permitted. Accordingly, ASU 2016-92 is effective for the Company's year ending December 31, 2021 using a modified retrospective approach. Management is determining the impact of the pronouncement at this time

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Company considers all liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible accounts receivable are charged off after all reasonable collection efforts have been made. Accounts receivable are deemed to be past due when payments are more than 30 days late. The Company believes all receivables are fully collectible and does not have an allowance for doubtful accounts

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Commitments and Contingencies

In December 2019, a novel strain of coronavirus disease ("COVID-19") was first reported in Wuhan, China and the World Health Organization has since declared this to be a pandemic. This pandemic had an impact on the Company’s markets and customers, which in turn had an adverse effect on the Company's business, results of operations, financial condition, and cash flows. However, through the later part of 2020 and into the current year, sales have continued to grow. As of the report date, Company management is of the opinion that the Company will successfully manage through the effects of this evolving situation.

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through April 12, 2021, the date of financial statement issuance.

2. Operating Locations

At December 31, 2020, the Company's franchisee locations were as follows:

Number of locations in operation at December 31	3
Locations opened during year	1
Locations closed during year	0
New franchise agreements during year	0
Franchise agreements in progress	0

During the year ended December 31, 2020, the Company had one franchisee where ownership transferred to another party. The Company received a transfer fee of $5,000 and that amount is included in franchise income on the accompanying financial statements.

Waffle Love Franchises

Profit and Loss

January - March, 2023

	TOTAL
Income	
Royalty Income	
Idaho (Boise) Royalty	5,640.63
Idaho (Meridain) Royalty	6,442.76
Texas (Malina Foods) Royalty	16,474.77
Total Royalty Income	**28,558.16**
Total Income	**$28,558.16**
GROSS PROFIT	**$28,558.16**
Expenses	
Professional Fees	
Legal Fees	9,595.50
Total Professional Fees	**9,595.50**
Total Expenses	**$9,595.50**
NET OPERATING INCOME	**$18,962.66**
NET INCOME	**$18,962.66**

Waffle Love Franchises

Balance Sheet

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Chase 6723	56,291.92
Total Bank Accounts	**$56,291.92**
Accounts Receivable	
Accounts Receiveable	12,190.54
Total Accounts Receivable	**$12,190.54**
Other Current Assets	
Loan Receivable From WL	61,662.62
Receivable deposits to another account	6,748.94
Total Other Current Assets	**$68,411.56**
Total Current Assets	**$136,894.02**
Fixed Assets	
Vehicle	10,000.00
AD Vehicle	-167.00
Total Vehicle	**9,833.00**
Total Fixed Assets	**$9,833.00**
TOTAL ASSETS	**$146,727.02**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	0.00
Total Accounts Payable	**$0.00**
Credit Cards	
Capital One 0965	16,237.43
Total Credit Cards	**$16,237.43**
Total Current Liabilities	**$16,237.43**
Total Liabilities	**$16,237.43**
Equity	
Adam Terry - Draws	-27,310.15
Adam Terry - Equity	-2,487.62
Opening Balance Equity	0.00
Retained Earnings	141,324.70
Net Income	18,962.66
Total Equity	**$130,489.59**
TOTAL LIABILITIES AND EQUITY	**$146,727.02**

EXHIBIT "D"
TO THE FDD

SCHEDULE OF FRANCHISEES:
(as of December 31, 2022)

	Location	Owner	Phone	Address	Email
			IDAHO		
1	Boise	Stephanie Bennett	208-340-5395	380bS 8th St, Boise ID 83702	stephanie@jande.com
2	Meridian	Stephanie Bennett	208-340-5395	4698 N Linder Road #110, Meridian, Idaho 83646	stephanie@jande.com
			TEXAS		
3	Round Rock	Stephen Webber	801-369-3029	1300 Gattis School Rd. Round Rock, Texas 78664	steve@timpmedia.com

FRANCHISEES THAT TRANSFERRED THEIR FRANCHISE IN 2022: NONE

Location	Owner	Current or Last Known Email

FRANCHISES THAT CEASED OPERATIONS IN 2022 OR HAVE NOT CONTACTED US WITHIN 10 WEEKS: NONE

Location	Owner	Current Business Phone or Last Known Home Phone Number

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

EXHIBIT "E"
TO THE FDD

LIST OF AGENTS FOR SERVICE OF PROCESS

If a state is not listed, Waffle Love Franchises, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Waffle Love Franchises, LLC has appointed an agent for service of process.

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677 www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	Secretary of State		99 Washington Avenue, Albany, NY 12231	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414,	(701) 328-4712

			Bismarck, ND 58505-0510	
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

EXHIBIT "F"
TO THE FDD

LIST OF STATE AGENCIES RESPONSIBLE FOR FRANCHISE DISCLOSURE/REGISTRATION LAWS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	Sacramento: 2101 Arena Blvd., Sacramento, CA 95834 San Diego: 1455 Frazee Road, Suite 315, San Diego, CA 92108 San Francisco: One Sansome Street, Ste. 600, San Francisco, CA 94101 Los Angeles: 320 West 4th Street, Ste. 750, Los Angeles, CA 90013-2344	Sacramento: (916) 445-7205 San Diego: (619) 525-4233 San Francisco: (415) 972-8559 Los Angeles: (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 23214-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681

Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20th Floor, Baltimore Maryland 21202-2020	(410) 576-6360
Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21st Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760

Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6th Street, NW, Washington DC 20580	(202) 326-3128

EXHIBIT "G"
TO THE FDD

AREA DEVELOPMENT AGREEMENT

WAFFLE LOVE FRANCHISES, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is made and entered into effective this ___________________ by and between **WAFFLE LOVE FRANCHISES, LLC**, a Utah limited liability company ("We," "Us," or "Franchisor"), and _____________________________ ("You," "Your," or "Area Developer").

R E C I T A L S:

WHEREAS, You desire to acquire the right to develop and operate multiple Waffle Love® Franchise Units in the Area described below and pursuant to the terms and conditions of this Agreement; and

WHEREAS, You have entered into a separate Franchise Agreement with Us for the right to operate a Waffle Love® franchise and that was signed contemporaneously with this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby agree as follows:

Article 1 - Definitions

1.1 The following terms have the following described meanings. Additionally, unless otherwise clearly required by the context, when used in this Agreement, all capitalized terms used but not defined herein have the respective meaning assigned to them pursuant to the Franchise Agreement. signed contemporarily with this Agreement.

"Develop" whether capitalized or not means to open and operate Waffle Love® Units.

"Development Area" means the geographical area set forth in Exhibit "A."

"Development Business" means the business of owning, operating, and development of Waffle Love® Franchise Businesses in the Development Area and in compliance with the Development Schedule.

"Development Schedule" means the schedule setting forth the number of Franchise Units to be developed within a set period of time within the Development Area.

"Franchise," "Franchise Business," "Franchise Unit," or "Unit" refers to a business that has signed a Franchise Agreement to operate a Franchise Unit in the Area.

"Franchise Agreement" means Our franchise agreement which licenses the right to use Our Marks and System for the operation of a Waffle Love® Franchise Unit at a single designated location.

"Owners" means You and each of Your owners, partners, members, managers, officers, directors, or shareholders.

"Termination" Includes expiration, non-renewal, repurchase of Your rights, transfer, or any other means by which this Agreement is no longer in effect or wherein You are no longer an area developer for the Waffle Love® brand.

Article 2 - Area Rights

2.1 Rights. Subject to the terms and conditions of this Agreement and the continuing faithful performance by You of Your obligations hereunder, during the term of this Agreement, You have the right to Develop Waffle Love® businesses in the Development Area in accordance with the Development Schedule set forth on Exhibit "B." Other than as reserved herein, We will not establish or sell traditional businesses within the Development Area while this Agreement is in effect.

2.2 Character of Rights. The rights and privileges granted to You under this Agreement are personal in nature. The rights set forth herein are territorial only and do not grant or imply any license for You to use the Marks or System in any manner. Any such rights are granted only through Our Franchise Agreement. This Agreement does not create or grant rights or obligations outside the Area. You represent and We rely upon Your representations in entering into this Agreement that the individuals listed in Exhibit "C" are the owners of and sole holders of a legal and beneficial interest in Your Development Business.

2.3 Franchisor's Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. Nothing contained herein prevents Us from granting the right to establish or operate, or Us establishing, owning, and operating Franchise Businesses or similar operations outside of the Development Area. Furthermore, We and Our affiliates expressly reserve the right to sell market and distribute the Waffle Love® products in the Development Area and elsewhere without compensation to You using other Marketing strategies and distribution channels, Including, the Internet, retail units and wholesale outlets, etc. We also reserve the right to use other and different proprietary marks in connection with the sale of franchises, products, or services similar to, the same as, or dissimilar from those which You will use in Your Franchise Businesses at any location, Including in the Development Area, without compensation to You. Neither We, nor other Area Developers or franchisees are restricted from advertising in Your Area.

Article 3 - Development & Term

3.1 Minimum Development Schedule. You must open the number of Franchise Units by the deadlines set forth in the Development Schedule. A Franchise Unit will be counted for the purposes of meeting Your development obligation only if it is an open and operating Franchise Business located within the Development Area by the applicable deadline and remains operating during the term hereof.

3.1.1 For purposes of example only, the typical Development Schedule is as follows:

Unit Number	Scheduled Opening Date for Each Franchise Unit
Franchise Unit #1	9 months from execution of this Agreement and the first Franchise Agreement
Franchise Unit #2	15 months from execution of this Agreement
Franchise Unit #3	24 months from execution of this Agreement

3.2 Franchise Locations. The location of each Franchise Unit will be selected by You, but must be approved in writing by Us, as further set forth in the Franchise Agreement(s).

3.3 Time of the Essence. Time is of the essence with respect to compliance with the Development Schedule and all other obligations of Yours under this Agreement.

3.4 Term. The term of this Agreement is the development period set forth on the Development Schedule. This Agreement will Terminate prior if terminated according to Article 9 below, or once You have Developed all the Franchise Units listed on the Development Schedule if developed prior to the last deadline set forth on the Development Schedule. There is no right to renew this Agreement.

Article 4 - Fees

4.1 Area Development Fee. You must pay a one-time, non-refundable area development fee ("Development Fee") of $______________ payable in full upon execution hereof. The Development Fee is equal to the initial franchise fee of $30,000 for the first unit, plus $10,000 multiplied by the minimum number of additional Franchise Units to be developed (minimum of 2 additional Franchise Units) as more fully set forth in the Development Schedule.

4.2 Additional Units. If You wish to purchase more Franchise Units than the number of Units listed in the Development Schedule, You must first receive Our prior written approval as to the number and whether You are able to add additional Units to the Development Schedule. If approved, You must pay a Development Fee of $10,000 for each additional Franchise Unit to be developed ("Additional Unit Deposit") and sign Our then-current Franchise Agreement prior to initiating development.

4.3 Initial Franchise Fee. In addition, for each Franchise Unit opened or operated by You during the term hereof, You shall pay Us the balance of the franchise fee ("Franchise Fee") in a single lump sum six months prior to the scheduled opening date for each Franchise Unit as provided in the Development Schedule. The balance for the initial franchise fee for the second unit will be $15,000 for the second unit and $10,000 for the third and each additional unit developed pursuant to the Development Schedule.

4.4 Non-Refundable. No Fee or Additional Unit Deposit is refundable, regardless of whether You meet Your Development Schedule.

Article 5 - Franchise Agreement(s)

5.1 Franchise Agreement. Each Franchise Unit opened by You in the Development Area pursuant to this Agreement will be governed by Our then-current Franchise Agreement executed by You and Us. A Franchise Agreement for each Franchise Unit must be executed and delivered to Us and the balance of the Franchise Fee paid prior to commencing construction or improvements, acquisition or lease of any related real property, or any other development activity for the applicable Franchise Unit.

5.2 Modification of the Franchise Agreement. We reserve the right, from time-to-time, to amend, change or modify Our form Franchise Agreement which modifications will apply to those Franchise Agreements signed after such modifications are made.

5.3 Guaranty. You agree that all of the Owners owning 20% or greater interest in Your Development Business, along with their spouse or legal domestic partner, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and shall be personally bound by, and liable for, the breach of every provision of this Agreement (and sign the Guaranty and Assumption of Obligations attached as Exhibit "D").

5.4 First Franchise Unit. You acknowledge that the Franchise Agreement governing Your first Franchise Unit to be opened under the Development Schedule is being executed concurrently with this Agreement.

Article 6 - Operating Standards and Covenants

6.1 Compliance. You shall, at Your expense, comply with all applicable laws, ordinances, rules, and regulations pertaining to the development of Your Franchise Businesses as contemplated herein.

6.2 Cost of Doing Business. You shall be responsible for all Your costs of doing business and other costs and expenses in connection with Your obligations herein.

6.3 Franchise Obligations. You shall promptly pay all Your obligations and liabilities to Us and Your suppliers, lessors, trade accounts and government agencies. We have no liability for Your obligations, and You shall indemnify and hold Us harmless from any such obligations.

6.4 Periodic Reports. You shall provide to Us, no later than the 15th day of each month, a written monthly progress report of Your preceding month's activities and progress in developing and establishing Franchise Units in Your Development Area.

6.5 Indemnification. You shall protect, indemnify, and hold Us harmless from and against any and all claims, proceedings, expenses, costs, damages and liabilities, Including, legal fees incurred by Us or Our officers, directors, members, managers and agents because of any act, neglect or omission of Yours or Your employees, customers, agents or guests, in the operation of Your Development Business, Including, malfeasance, misstatements, nonfeasance, failure to perform, and breach of Your duties and obligations under this Agreement.

Article 7 - Confidentiality

7.1 Confidentiality. Unless otherwise signed as part of Your Franchise Agreement, each of Your principals are required to sign Our standard principal brand protection agreement attached as Exhibit "E."

7.2 Confidentiality of this Agreement. You agree that all negotiated terms of this Agreement will remain confidential, and You shall not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the terms of this Agreement only to Your professional lenders and advisors.

Article 8 - Marks

8.1 Ownership of Marks. You acknowledge that You have no interest whatsoever in the Marks or derivatives thereof and that Your right to use the Marks is derived solely from Your Franchise Agreement(s).

8.2 Use of Marks. You cannot use any of the Marks as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form without Our consent. You shall obtain such fictitious or assumed name registrations as may be required by Us or applicable law.

Article 9 - Our Right of Termination

9.1 Termination. You have no rights to terminate this Agreement. In addition to the other rights of termination, We may have at law or equity or as contained in this Agreement, We will have the following rights of termination:

9.1.1 No Cure Period. Upon a violation or default under paragraphs (1) through (7) below, this Agreement will automatically Terminate upon written notice to You.

1) You or any of Your Owners makes or attempts to make an unauthorized assignment of this Agreement, Your Franchise Agreements, Franchise Units, or any ownership change in You without Our prior written consent, which consent will not be unreasonably withheld or delayed;

2) You or any of Your Owners take action, commit, are convicted of, plead guilty to, or plead no contest to a charge of violating any felony law or other crime, action or offense that We reasonably believe is likely to have a material adverse effect on Your Franchise Units, Us, or the System;

3) You repeatedly breach (three or more times) the same provision of this Agreement within a 12-month period;

4) You become insolvent or a party to any bankruptcy, receivership, or similar proceeding, other than as a creditor, file for bankruptcy or receivership or similar protection or You are adjudicated bankrupt;

5) You make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of Your assets for the benefit of creditors; or

6) You voluntarily or otherwise abandon the development of Franchise Units in the Development Area hereunder exhibited by not responding to our calls, emails, letters, or other attempts to reach You for a period of 30 or more days, or Your actions to Us, to other franchisees, or area developers, or to the public indicate that You do not plan to continue development operations.

9.1.2 30-Day Cure Period. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement and fail to cure within 30 days of receiving written notice of default from Us.

9.1.3 45–Day Cure Period. You fail to meet Your development obligations set forth in the Development Schedule and fail to cure within 45 days of receiving written notice of default from Us.

9.2 Cross Default. If any Franchise Agreement for one of Your Franchise Businesses is terminated for cause, We will have the right to terminate this Agreement upon written notice to You.

Article 10 - Obligations Upon Termination or Expiration

10.1 Our Rights Upon Termination. Upon Termination of this Agreement, for any reason, Your rights under this Agreement are terminated and We will be free to own, operate or franchise Waffle Love® businesses anywhere in the Development Area other than as prohibited by any existing signed Franchise Agreement. The foregoing is in addition to any other right or remedy We may have at law or in equity.

10.2 Operating Units. After Termination of this Agreement, You may still continue to own and operate Your individual Franchise Units in the Development Area that are owned and operated by You prior to Termination, so long as You are not in default and continue to faithfully perform the terms and conditions of such Franchise Agreement(s). However, You will cease to have any exclusivity rights with regard to the ongoing development of Franchises in the Development Area, and You will forfeit all Unit or any other deposits made to compensate Us for an opportunity lost in the event You do not open number of franchises in accordance with the Development Schedule, and You will forfeit any contractual right You may have to develop or purchase additional Franchise Units within the Development Area.

Article 11 – Transfer

Article XIV of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as "Franchise Business" and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. However, the transfer fee to transfer this Agreement is $10,000 per undeveloped franchise, plus the franchise fee for each active franchise agreement transferred, as set forth in the applicable franchise agreement.

Article 12 – Integration of the Various Articles of the Franchise Agreement

Article XV through Article XXI of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as "Franchise Business" and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. Additionally, the non-competition restrictions and distances are 20 miles and apply to Your Development Area defined in this Agreement.

Article 13 - Unfair Competition and Non-Competition Covenant

13.1 In-Term Covenant. You and We share a common interest in avoiding situations where persons or companies who are or have been franchisees operate or otherwise become involved with a Competing Business during the term of this Agreement. During the term of this Agreement and any extensions hereof, You agree that neither You nor Your Immediate Family, nor any shareholders, owners, partners, directors, members, managers, officers, agents, affiliates, principal employees, nor any partner in a partnership franchise, will own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, contractor, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership, or corporation engaged in any Competing Business except with Our prior written consent. You understand and acknowledge that to violate this Section will create irreparable harm.

13.2 Post-Term Covenant. Upon Termination for any reason of this Agreement, and for a continuous, uninterrupted period of two years thereafter, neither You, nor Your Immediate Family members, nor any of Your Owners, agents, affiliates or principal employees, will, directly or indirectly, participate as an owner, operator, shareholder, director, partner, member, manager, contractor, consultant, agent, employee, advisor, officer, lessor, lessee, franchisor, Area Developer or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any business, firm, entity, partnership or company engaged in a Competing Business within the Development Area or within 50 miles of the Development Area or within 30 miles of the Area of any System franchise or Waffle Love® business operation at the time of Termination of this Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. You will not divert or attempt to divert any business of or any customers of any Waffle Love® business operations to any other Competing Business, by direct or indirect inducement or otherwise.

13.3 Non-Solicitation of Customers. Subject to applicable state law, You and Your agents and affiliates shall not, directly or indirectly, during the term of the Franchise Agreement and any extensions or Successor Franchise and for three years thereafter, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise agreement) or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

13.4 Tolling of Covenant. In the event You compete during the term of non-competition, this non-compete time period will be tolled and extended for the period of Your competition, plus an additional six months.

13.5 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article 13 be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. Accordingly, if any part of this Article is adjudicated to be invalid or unenforceable, then this Article will be deemed amended to delete that portion thus adjudicated to be invalid or unenforceable and such deletion to apply only with respect to the operation of that Section or Paragraph and the particular jurisdiction in which said adjudication is made. Further, to the extent any provision of this Agreement is deemed to be unenforceable by virtue of its scope, but may be made enforceable by limitation, the parties agree that the same will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought.

13.5 Claims Not a Defense. You expressly agree that the existence of any claims You may have against Us, whether arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants of this Article 13. You shall pay all costs and expenses, Including, reasonable attorney's fees, incurred by Us in connection with the enforcement of this Article 13.

13.6 Irreparable Injury. You acknowledge that Your violation of the terms of this Article 13 would result in irreparable injury to Us for which no adequate remedy at law may be available. You accordingly agree that We will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any or all any of the terms of this Article 13 without proof of actual damages that have been or may be caused to Us by such breach.

13.7 Additional Covenants. At Our request, You must require and obtain execution of covenants similar to those set forth in this Article 13 from any or all of the following persons: (a) all owners, partners, directors and managers and the like of Your Franchise Businesses; (b) all officers, directors, members, managers and holders of a beneficial interest of 5% or more of any corporation directly or indirectly controlling You if You are an entity; and (c) the general partners and any limited partners if You are a partnership. All covenants required herein must be in forms satisfactory to Us, Including, specific identification of Us as a third-party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required herein will constitute a default of this Agreement.

Article 14 – Transfers and Assignment

14.1 By Franchisor. This Agreement is fully assignable and transferrable by Us and will inure to the benefit of any assignee, transferee or other legal successor to Our interests and obligations herein.

14.2 By Area Developer or Your Owners. You understand and acknowledge that the rights and duties created by this Agreement are personal to You and that We have granted this Agreement in reliance upon Your agreement to comply with all the terms and conditions of this Agreement, and Your individual character, skill, aptitude, attitude, business ability and financial capacity. Therefore:

14.2.1 Neither this Agreement nor any interest therein may be voluntarily, involuntarily, directly, or indirectly, assigned, sold, or otherwise transferred by You or Your Owners, Including, by consolidation or merger, or by issuance of securities representing an ownership interest, without Our prior written approval, which approval will not be unreasonably withheld. You must strictly follow and comply with all transfer procedures as outlined in Our Manuals, if any.

14.2.2 Any such assignment or transfer without such approval will constitute a breach hereof and will not convey any rights to or interests in this Agreement to such assignee.

14.2.3 Consent to an assignment otherwise permissible under this Article 14 may be refused by Us, unless, prior to the effective date of the assignment: (a) all of Your obligations incurred in connection with this Agreement have been assumed by the assignee; (b) You have paid fees and other amounts owing Us; (c) the assignee or its owners meet Our criteria for new area developers and franchisees; d) the assignee or its owners must have completed the training program required of new area developers and franchisees and are willing to execute and be bound by Our then-current area development agreement; (e) You or Your assignee pay a non-refundable transfer fee of $10,000, plus the transfer fees set forth in each Franchise Agreement transferred; (f) You or Your assignee pay a training fee for new franchisees of $5,000 for up to two attendees; and (g) You and Your Owners, representatives and/or agents have signed a general release in Our favor.

14.2.4 You must remain liable for all direct and indirect obligations under this Agreement, Your Franchise Agreement(s), and Your Franchise Businesses prior to the effective date of the transfer and will continue to remain responsible for Your obligations of nondisclosure, noncompetition and indemnification as provided in this Agreement and the Franchise Agreements and must execute any and all instruments reasonably requested by Us to evidence such liability.

14.2.5 Any assignment, transfer, or other disposition by You of a Franchise Business within the Area will be governed by the Franchise Agreement to which such Franchise Business is bound.

14.8.5 Training. The transferee must pay for and complete the training or certification program required of new franchisees of $5,000 for up to two attendees. This fee is payable prior to Our approval of the transfer. The transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee's attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.

14.8.6 Transfer Fee. You shall pay a non-refundable transfer fee of $10,000 plus the transfer fees set forth in each Franchise Agreement. This is payable prior to Our signing or Our approval of a new agreement with the transferee.

14.3 Transfers to Competitors Prohibited. In order to maintain the confidentiality of the proprietary information of the Intellectual Property and System, neither You or any of Your owners, partners, members, managers, officers or directors, may sell, transfer, assign or pledge any part of this Agreement or any part of his or her ownership in Your entity, if applicable, to a competitor of Ours or an affiliate of a competitor of Ours without Our written permission. Any such sale, transfer, assignment, or pledge without Our written approval will be considered void ab initio.

14.4 Right of First Refusal of the Franchisor. If You or Your Owners, at any time determine to sell, assign, or transfer this Agreement, or an interest therein, or an ownership interest in Your entity of more than 40%, then You or Your Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must submit an exact copy of such offer to Us. We will have the right, exercisable by written notice delivered to You or Your Owners within 60 days from the date of delivery of an exact copy of such offer to Us, to purchase this Agreement and the development rights thereunder, or such interest in this Agreement, or such ownership interest in You for the price and on the terms and conditions contained in such offer, provided that We may substitute cash for any form of payment proposed in such offer and We will have not less than 60 days from the date We give notice to You of Our intent to purchase, to prepare for closing. If We do not exercise Our right of first refusal, You or Your Owners may complete the sale to such purchaser pursuant to and on the terms of such offer, provided that if the sale to such purchaser is not completed within 150 days after delivery of such offer to Us, or if there is a material change in the terms of the sale that are less beneficial to You, We will again have the right of first refusal upon the terms and conditions herein provided.

14.4.1 In the event You wish to publicly offer Your shares in any partnership or corporation which has an ownership interest in You, said public offering will be subject to the approval by Us, which approval will not be unreasonably withheld.

14.4.2 Each shareholder or member of Your entity, if You are a corporation or other business entity, must be a party to an agreement which will provide, inter alia, that upon any dissolution of the corporation or other business entity, or upon any divorce decree among the parties who are also owners, that ownership of the ownership interest will be transferred to the other owner, for agreed upon consideration, which has primary responsibility for sales and marketing activities, typically the president or manager, following any such dissolution or decree. The form and content of such agreement must be approved by Us prior to execution.

14.5 Death or Incapacity. In the event of the death or incapacity of an individual area developer or general partner or manager of an entity area developer (the term "incapacity" means any physical or mental infirmity that prevents the person from performing his or her obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 days during a calendar year), the heirs or personal representative will have the right to continue to fulfill Your obligations under this Agreement; provided that within a reasonable time (not more than 160 days) after such death or incapacity (or such longer period required by the laws of the state where Your Development Business is located) a personal representative must be approved by Us or this Agreement is assigned or transferred to a buyer approved by Us. Such transferee or buyer must be first approved and then trained by Us prior to assuming duties and obligations under this Agreement.

14.6 Interim Management. We may require, based on Your defaults or poor performance that We step in to manage Your Development Business for a period of time, as We deem advisable for a fee of $250 per day ("Interim Management Period"). You will continue to pay and remain responsible for all fees required by this Agreement.

14.6.1 Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Development Business. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, employees, and other contracted personnel. You will be required to cooperate to provide Us with all pertinent information regarding Your Development Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You agree to add Us or Our representative as a co-signer on certain accounts. You will cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord and suppliers, banks, IRS and state agencies, creditors, etc., regarding Your Development Business, and You will cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Development Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction. You will ultimately remain responsible for all operating costs both before and during the Interim Management Period. You must provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Development Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Development Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary, or any type of fiduciary relationship over or in relationship to Your Development Business.

Article 15 - Notices

15.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission, during normal business hours, Monday through Friday, holidays excepted, when confirmed by telecopier or facsimile transmission; (iv) through the email address below or other authorized email address when confirmed by receipt verifications, which confirmation cannot be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

To Franchisor:	**To Area Developer:**
Waffle Love Franchises, LLC 2322 West 500 North, Suite L Springville, Utah 84663 (or Our then-current headquarters) Email: ADAM@WAFFLUV.COM With a courtesy copy to (which will not act as notice or service to Waffle Love Franchises, LLC): The Franchise & Business Law Group Attn: Kara Martin 222 South Main, Ste 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	____________________________ (entity name) ____________________________ (Attn to) ____________________________ (Address) ____________________________ Email: ______________________

Article 16 - Representations

16.1 Your Efforts. You understand that the success or failure of the development of Franchise Units in the Development Area depends, in major part, upon Your efforts.

YOU REPRESENT, COVENANT, AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING INCOME GUARANTEES, PROJECTIONS, AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SUCCESS OF YOUR BUSINESS OPERATIONS UNDER THIS AGREEMENT. YOU ACKNOWLEDGE AND AGREE THAT AS OF THE DATE OF THIS AGREEMENT YOU HAVE HAD NO KNOWLEDGE OF ANY REPRESENTATION MADE BY US OR OUR REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

YOU FURTHER REPRESENT, COVENANT AND AGREE THAT YOU HAVE THE BUSINESS ACUMEN, CORPORATE AUTHORITY AND FINANCIAL WHEREWITHAL TO ENTER INTO THIS

AGREEMENT AND TO PERFORM ALL OF YOUR OBLIGATIONS HEREUNDER AND FURTHERMORE THAT THE EXECUTION OF THIS AGREEMENT IS NOT IN CONTRAVENTION OF ANY OTHER WRITTEN OR ORAL OBLIGATION OF YOURS.

16.2 FDD Acknowledgement. You represent that You have had a copy of our franchise disclosure document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us, and during which time You had the opportunity to submit the FDD for review by legal counsel.

Article 17 - Disputes & Arbitration

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. You and We agree that except as otherwise expressly provided for herein, in the event any controversy, dispute or claim whatsoever ("Dispute") arises between Us or Our subsidiaries, parents and affiliates and each of Our respective shareholders, managers, officers, directors, members, agents, employees and attorneys (in their representative capacity), if applicable, and You or Your entity owners, guarantors and employees, officers, directors, members, managers, agents, and attorneys (in their representative capacity), if applicable, in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us at Our then-current headquarters and within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting requirement has not successfully resolved such matters and if desired by either You or Us, the matters will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or by ruling of the arbitrator if petitioned by one of the parties. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration proceeding involving Us and any other person, except that with respect to a Dispute involving You and Your affiliate, You and Your affiliate may both be parties to the arbitration.

(iii) Agreed Limitations. Except for payments owed by one party to the other, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within a period of one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim.

(iv) No Special Damages. You and We waive any right or claim of any consequential, punitive, or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. You agree that We will not be liable for any act or omission which is consistent with this Agreement, or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of Our Marks, or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement not in connection with other Disputes.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards, or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the arbitrator and arbitration organization equally during the arbitration. However, the prevailing party in any arbitration, appeal or other action will be entitled to recover the administrative costs of the arbitration proceeding, attorney's fees and the fee for the arbitrator(s).

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform all obligations under this Agreement.

Article 18 – General Provisions

18.1 Severability. Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable.

18.2 Governing Law and Jurisdiction. This Agreement will be governed, construed, and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein, but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article 17, if there is any litigation between us, You and We hereby irrevocably consent to, and waive any objection to, the exercise of general personal jurisdiction and venue in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, state of Utah will be the exclusive venue for any litigation between us.

18.3 Waiver of Obligations. You and We will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (Including, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof or any failure, refusal or neglect of Us or You to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder.

18.4 No Off-Sets or Withholdings. You covenant and agree that You will not offset or withhold the payment of any fees or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

18.5 Cumulative Remedies. Rights hereunder are cumulative and no exercise or enforcement of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy hereunder which You or We are entitled by law or equity to enforce. Nothing herein contained will be interpreted as to bar or waive Our right to obtain any remedy available at law or in equity Including injunctive relief.

18.6 Costs and Attorney's Fees. The prevailing party in any legal proceeding will be entitled to reimbursement of its costs and expenses, Including reasonable accounting and legal fees. For purposes of this Agreement, "prevailing party" Includes, the party which obtains a judgment in their favor, or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought.

18.7 Binding Effect. This Agreement will be binding upon the parties hereto and their respective assigns and successors in interest.

18.8 Entire Agreement. This Agreement, Including preambles and exhibit(s) to this Agreement, if any, are a part of this Agreement, which constitutes the entire agreement of the parties relating to the subject matter herein, and there are no other oral or written understandings or agreements between You and Us relating to the subject matter of this Agreement. No modifications of the terms of this Agreement will be valid unless made in writing and executed by both Us and You. Except as otherwise expressly provided herein, nothing in this Agreement is intended, or will be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Nothing in this Agreement or in any related agreement is intended to disclaim the representations We made in Our franchise disclosure document. This Agreement may be amended in whole or in part only by an agreement in writing and signed and dated by both parties.

18.9 No Representations. You understand that the success or failure of this Agreement, and each of Your Franchise Businesses depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or Area will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

18.10 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

18.11 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between them or any of them and any third-party or the violation or breach of any order, decree or judgment of any court or administrative agency.

18.12 Interpretation of Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will Include the appropriate plural numbers. The headings and title of this

Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

18.13 Relationship of the Parties. In all matters, You are an independent contractor. Nothing in this Agreement constitutes You as Our partner, agent, or joint venture with Us and this Agreement does not create a fiduciary relationship between You and Us. Neither party may act or have the authority to act as agent for the other, and neither party is liable for the debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors, or omissions of the other. You acknowledge that You do not have authority to incur any obligations, responsibilities, or liabilities on behalf of Us, or to bind Us by any representations or warranties, and You agree not to hold Yourself out as having such authority.

18.14 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "C" are the owners of and sole holders of a legal and beneficial interest in Your Development Business.

18.15 Counterparts and Electronic Signatures. This Agreement, and those contemplated herein, may be executed in counterparts, Including by means of pdf, electronic, telefaxed or scanned and emailed signature page or similar electronic means, each of which will be deemed an original, but all of which together will constitute one and the same document.

18.16 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all its terms. You agree that the rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

18.17 Effective Date. This Agreement will become effective only when executed and accepted by Us.

IN WITNESS WHEREOF, We and You have respectively signed and sealed this Agreement as of the day and year first above written.

FRANCHISOR:	AREA DEVELOPER:
WAFFLE LOVE FRANCHISES, LLC	______________________________
By: ____________________________ (Signature)	By: ____________________________ (Signature)
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________

EXHIBIT “A”
TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AREA

The Development Area will consist of the following: ____
____
____.

Our approval of the Development Area or a location within the Development Area is not a guarantee or a warranty of the potential success of the Development Area or a location.

____
Area Developer Initial and Date

____
Franchisor Initial and Date

SCHEDULE "A-1"

MAP OF THE DEVELOPMENT AREA

EXHIBIT "B"
TO THE AREA DEVELOPMENT AGREEMENT

FRANCHISE UNIT
DEVELOPMENT SCHEDULE

1. **Development Schedule**

Development Period and Term (Ending 365 days from the date of signing the ADA)	**Minimum Number of Franchise Units to be Opened**	**Cumulative Total of Franchise Units In the Area Open and Operating at End of Each Period**
Year __	_____	_____
Year __	_____	_____
Year __	_____	_____
Year __	_____	_____
Year __	_____	_____
Year __	_____	_____
Year __	_____	_____
TOTAL	_____	_____

2. **Development Fees**

Summary	**Number or Amount**
Total Units to be Developed	_______
Development Fee for Initial Unit	$30,000
Development Fee per Unit (after the first Unit)[1]	$10,000
Total Development Fee[2] (Multiply the Development Fee by the number of Units to be developed. For example, if the total Units to be developed is three, then then total Development Fee due would be $50,000.	$______

[1] Applied to the initial franchise fee.
[2] Due in one lump sum upon signing this Agreement.

____
Area Developer Initial and Date

____
Franchisor Initial and Date

EXHIBIT "C"
TO THE AREA DEVELOPMENT AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

□ Partnership □ Corporation
□ Sole Proprietorship □ Limited Liability Company

Name of your entity: ____
The state in which your entity was formed: ____________________
Date of formation: ___________________
EIN: ___________________________________

The name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type names and add extra lines if necessary):

Name	**Address**	**Percentage of Ownership***

*Corporation: Percentage owned of outstanding voting stock.
*Partnership: Percentage owned in voting and in capital and profits.
*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type names and add extra lines if necessary):

Name	**Title**

The address where Your company records are maintained is: _________________________
____.

The name and address of the person acting as operating principal who has been approved by Us and who will be directly responsible for supervising Your Development Business operations and who has authority to work with Us and make decisions relating to the operations of the Development Business:

Name: ____
Address: ____
Email: ____

You agree to provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below.

Dated: ____________________________.

AREA DEVELOPER:

____

By: _________________________________
(Signature)

Name: ______________________________

Title: ________________________________

EXHIBIT "D"
TO THE AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is entered into and made effective as of ___________________ by and between **Waffle Love Franchises, LLC**, ("We," "Us" or "Our") and the undersigned Guarantor(s) ("Guarantor(s)") owners of _______________________, LLC/INC (the "Business Entity") and their spouses or legal domestic partner (collectively and individually referred to as "spouse").

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Area Development Agreement dated __________________ (the "Area Development Agreement"), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantee to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Area Development Agreement; and (b) shall be personally bound by, and personally liable for the breach of, any provision in the Area Development Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Area Development Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)' execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)' capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)' direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Area Development Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)' liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)' liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Area Development Agreement and, where required by the Area Development Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Area Development Agreement and agree that the provisions of the dispute resolution section of the Area Development Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Franchisee or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Spouse's Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Area Development Agreement and Guarantor(s)' performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts Including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature	Spouse Signature	Contact Information for Notice
By: ______________________	By: ______________________	______________________
Name: ____________________	Name: ____________________	______________________ ______________________
By: ______________________	By: ______________________	______________________
Name: ____________________	Name: ____________________	______________________ ______________________
By: ______________________	By: ______________________	______________________
Name: ____________________	Name: ____________________	______________________ ______________________
By: ______________________	By: ______________________	______________________
Name: ____________________	Name: ____________________	______________________ ______________________

EXHIBIT "E"
TO THE AREA DEVELOPMENT AGREEMENT

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the "Agreement") is entered into and made effective as of ______________________, by WAFFLE LOVE FRANCHISES, LLC ("Franchisor" or the "Company") and the undersigned ("Principals").

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to develop Waffle Love® Business using the System developed by Franchisor, Including certain confidential and proprietary information of Franchisor ("Franchise Business"); and

WHEREAS, Principals may have access to certain proprietary information; and

WHEREAS, Principals recognize the value of the System and the importance of keeping all confidential information confidential, and the intangible property rights licensed under the Area Development Agreement and Franchise Agreement, and the importance of maintaining the Confidential Information, and recognizes that the Franchisor's entering into the Area Development Agreement is conditioned upon Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Area Development Agreement, and all references herein to "Article," "Sections," and "Paragraphs" refers to articles, paragraphs, and sections of the Area Development Agreement and at times, the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Area Development Agreement with Principal or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain knowledge of confidential matters, procedures, services, Recipes, the System, and products developed, used, licensed to, and owned by Franchisor and made available to Principals, that are necessary and essential to the operation of Franchise Businesses, without which information the Franchise Businesses could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Area Development Agreement or any Franchise Agreement, Principals and any of a Principal's Immediate Family, shall not, during the term of the Area Development Agreement or any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Development Businesses or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement will constitute Confidential Information and will be subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the

execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all employees to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.3 No Reverse Engineering. Principal will not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile, or deconstruct any Recipe, and will not allow, encourage, or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of Agreement, reverse engineering will Include any deviations from or minimal changes to the Recipes such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.4 Limited Use. Principal must limit his/her use of the Confidential Information to times, places, and circumstances as directed by Franchisor only. This limitation Includes Principal's use, whether in part or in whole of the Confidential Information (and including Principal's use of the Recipes for personal consumption).

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Area Development Agreement.

3.1 In-Term Covenant. During the term of the Area Development Agreement and for any extensions thereof, except as permitted under the Area Development Agreement, Principals and Principals' Immediate Family, shall not directly or indirectly be a Participant, or assist, or serve in any capacity whatsoever or have an interest in any Competing Business in any capacity or location, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section will create irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of this Agreement, and for a continuous, uninterrupted period of two years thereafter, Principals, and Principals' Immediate Family members, shall not directly or indirectly, be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a Competing Business within Your Development Area or within 50 miles of Your Development Area or within 30 miles of the territory of any franchise or Waffle Love® business operation at the time of Termination of this Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

3.3 Non-Solicitation of Customers. Subject to applicable state law, Principals and each of Principal's Immediate Family, shall not, directly or indirectly, during the term of the Franchise Agreement and any extensions or Successor Franchise and for three years thereafter, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise agreement) or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done

4. Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse

of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of that Principal's violation.

5. Return of Materials. Upon the Termination of the Area Development Agreement, or a Principal's disassociation from the franchise entity, each Principals agree to deliver to Franchisor (and will not keep a copy in his or her possession or deliver to anyone else) the Waffle Love® Manuals and any and all Confidential Information, and other information or documents or property relating to the System.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 4 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 4 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach. Additionally, Principals agree that the existence of any claims Principal may have against Franchisor, whether or not arising from this Agreement or the Area Development Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will Include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a dispute under the Area Development Agreement (in which case this matter may be handled through arbitration as set forth in the Area Development Agreement), each Principal agrees that proper jurisdiction and venue for all dispute resolution will be exclusively in the state and federal courts of Salt Lake City, Utah.

9. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of Principal and his or her heirs, personal representative, successors, and assigns. No rights under this Agreement are assignable by Principals and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals will survive

the Termination of this Agreement or the Area Development Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first herein above written.

FRANCHISOR:	**PRINCIPAL:**
WAFFLE LOVE FRANCHISES, LLC	______________________________
By: ___________________________ (Signature)	By: ___________________________ (Signature)
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

[Signature page to Principal Brand Protection Agreement to the Area Development Agreement]

ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT FOR THE STATE OF CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the area development agreement contains a provision that is inconsistent with California law, California law controls.

2. The area development 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.)

3. The area development 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 area development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. The area development agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of an area development agreement restricting venue to a forum outside the State of California.

6. The area development agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.

7. You must sign a general release if you transfer, renew or terminate 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).

8. The area development agreement provides for waiver of a jury trial. This may not be enforceable in California.

9. No statement, questionnaire, or acknowledgement 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.

10. Late Fees is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

EXHIBIT "H"

TO THE FDD

RELEASE AGREEMENT (FORM)

RELEASE AGREEMENT
(Form)

This RELEASE AGREEMENT ("Agreement") is made and entered into as of ____________________ by and between **WAFFLE LOVE FRANCHISES, LLC** ("Franchisor") and _____________**, LLC/INC.,** _____________**, AND** _____________ (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Waffle Love® franchise agreement on ____________________ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by ___________ and ______________ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of ____________________.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly

agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Nothing in this Agreement releases Personal Guarantor(s) or Franchisee from their obligations under the non-competition clauses of the Franchise Agreement or their Non-Competition Agreements signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the State of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the State of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah, and the laws of the State of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

WAFFLE LOVE FRANCHISES, LLC

By: ____________________________
(Signature)

Name: __________________________

Title: ___________________________

Date: ____________________________

FRANCHISEE:

____

By: ____________________________
(Signature)

Name: __________________________

Title: ___________________________

Date: ____________________________

PERSONAL GUARANTOR(S):

By: ___________________________________

Name: ________________________________

Date: _________________________________

By: ___________________________________

Name: ________________________________

Date: _________________________________

By: ___________________________________

Name: ________________________________

Date: _________________________________

By: ___________________________________

Name: ________________________________

Date: _________________________________

[Signature Page to Release Agreement]

EXHIBIT “I”
TO THE FDD

SIGNING CHECKLIST

Franchise Documents Signing Checklist 2023

The following items need to be filled out, signed, or dated by the party indicated and a copy of the document delivered to Waffle Love Franchises, LLC

[FOR FRANCHISEES]

1. **When you receive the FDD**

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must **sign and date both** copies. You will keep the copy labeled "Franchisee Copy" and return the other copy ("Franchisor Copy") to Waffle Love.	

2. **When you sign the Franchise Agreement and other documents**

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Franchise Agreement	(Cover page, page 1 of the Franchise Agreement)	Fill in your name or the name of your company that will act as the franchisee.	
Franchise Agreement	(page 3)	1. In first paragraph fill in date the Franchise Agreement is signed, or the effective date of the agreement (if earlier than the date you sign) and your company name or your name if you do not have an entity.	
Franchise Agreement	(page 43)	Fill in your name or your company name, address, and personal email (and fax if you have one).	
Franchise Agreement (Signature Page)	(page 50-52)	1. If you have a company that will act as the franchisee, fill in the company name on the line before LLC/INC. and have the president, manager, etc., sign on behalf of the entity. 2. If you will be the franchisee personally, you will sign on the lower signature lines and print your name on the line before "personally."	
Territory	Exhibit A-1 (page 53)	Please fill in the complete address of the approved location. Both you and Waffle Love must initial and date this page.	

Company Reps. and Warranties	Exhibit A-2 (pages 54-55)	If you have a company that will be the franchisee, you must fill out this document (every blank spot and/or checkmark) regarding all the owners and officers of your company.	
Brand Protection Agreement for Principals	Exhibit A-4 (page 58-62)	**You and each owner and manager of your company, if applicable, must fill out and sign a separate form.** Fill out signature lines and sign.	
Employee Brand Protection Agreement	Exhibit A-5 (page 63-65)	All your employees need to fill out and sign separate non-compete agreements. **1.** On the first page, the employee will fill in the date the document is signed and will list you or your company as the franchisee, and the employee will fill in his/her address. **2.** On page 63, you and your employee must sign this document. *****A copy of each signed non-compete must be emailed to us within 1 week of the employee's hire.*****	
Landlord's Consent	Exhibit A-6 (page 66)	1. Fill in the name of the Landlord (will be the same as in your lease agreement). 2. Fill in your entity name or personal name if no entity formed. 3. Provide to your landlord and have him/her date and sign and return to you. *****This should be done at the same time you sign the lease agreement. You must send us an executed copy within 5 days of signing the lease agreement.*****	
ACH Agreement	Exhibit A-7 (page 67)	Please fill in your business name or the store number Waffle Love has assigned to you. Click the box for the type of account and fill in all bank information. Please sign, fill in your title and date.	
Guaranty and Assumption of Obligations	Exhibit A-8 (pages 68-69)	1. Fill in the date of the franchise agreement on page 68 (will match the date on page 3 of the franchise agreement). 2. Fill in the date you are signing the Guaranty. 3. Each owner of the franchise business must sign and print their name. *If more signature lines are needed, print an additional page and have the additional owners sign.*	
Digital and Social Media Authorization for Assignment	Exhibit A-9 (pages 72-73)	Fill in franchise name, title, date and signature on page 73.	
State Addenda to the Franchise Agreement (if applicable)	Exhibit A-10 (pages 71-82)	Only fill out the applicable state document if there is a space to do so *and only* if you are located in one of the listed states. The applicable states are: Illinois, Minnesota, North Dakota, Virginia, Washington and Wisconsin. (Signatures are required for Illinois, Minnesota, North Dakota, and Washington.)	

3. Exhibits to the FDD

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Illinois Addendum	Schedule 2 to the FDD	***Only sign*** at the bottom of Schedule 2if you are a resident of Illinois or if the franchise will be located in Illinois.	
Minnesota Addendum	Schedule 4 to the FDD	***Only sign*** at the bottom of Schedule 4 if you are a resident of Minnesota or if the franchise will be located in Minnesota.	
Release Agreement	Exhibit H to the FDD	***Do not fill out or sign this agreement***.	

4. If you sign the Area Development Agreement.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Area Development Agreement	(page 1)	Fill in the date and developer's name.	_____
Area Development Agreement	Fee (page 3)	Fill in the total amount paid (match with Exhibit B)	_______
Area Development Agreement	Notice Section (page 7)	Fill in the franchisee name, address, and email	_____
Area Development Agreement	Signature page (page 8)	Fill in the entity name on the line before LLC/INC., and have the president, manager, etc. sign on behalf of the entity. Both the Developer and Franchisor sign.	
Description of Development Area	Exhibit – A (page 9)	Fill in the description of the Development Area. Both the developer and franchisor initial and date.	_____
Map of Development Area	Schedule A-1 (page 10)	Only applicable if providing a map of the Area. Both the developer and franchisor initial and date.	
Development Schedule	Exhibit – B (page 11)	Fill in the Development Schedule and Development Fees tables	_____
Company Reps. and Warranties	Exhibit – C (pages 12-13)	The developer must fill in the appropriate fields, date, and sign.	_____
Guaranty and Assumption of Obligations	Exhibit -D (pages 14-15)	Fill in the date for the Personal Guaranty and each owner owning at least 25% of the franchise company must sign.	_____
Brand Protection Agreement for Principals	Exhibit - E (pages 16-20)	Fill in the name of the entity and the date on page 18. Each owner and principal of the developer must sign this form.	_____

5. **Items to complete after you sign the franchise agreement and before you begin operations.**

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED/ RECEIVED
Proof of insurance	You must obtain and maintain insurance that lists Waffle Love as an additional insured. You must provide Waffle Love with proof of this insurance.	
Your dba	In the state where your store is located, you need to file for a dba or "doing business as" under the name "Waffle Love ____________." The blank line will be the city where your store is located. For example, if your store is located in Las Vegas, Nevada, your filed dba could be "Waffle Love – Las Vegas." Waffle Love must approve your dba before you file it. You must send a copy of the dba filing to Waffle Love after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that you **cannot** use the name "Waffle Love" as your company name.	
Franchisee's Entity Documents	If you use a company to be the franchisee, you need to send a copy of your articles of incorporation/organization along with your bylaws/operating agreement to Waffle Love.	
Copy of lease agreement	You must send Waffle Love a copy of the fully signed and dated lease, together with the Landlord's Consent. ***You must send us an executed copies within 5 days of signing the lease agreement.*****	

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(Franchisee's Copy)

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 Waffle Love offers you a franchise, it must provide this disclosure document to you 14 calendar-days or 10 business days as applicable before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Waffle Love 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, D.C. 20580 and the state administrator listed in Exhibit "F." Waffle Love authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

Waffle Love Franchises, LLC is located at 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003. Its telephone number is (801) 923-3588.

The issuance date of this disclosure document is June 1, 2023.

The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
Adam Terry	767 S. Auto Mall Drive, Ste 9, American Fork, Utah 84003	(801) 472-2573

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

____

I received a disclosure document dated June 1, 2023, that included the following Exhibits:

A. Franchise Agreement and its Exhibits
B. Table of Contents for Operations Manual
C. Financial Statements
D. Schedule of Franchisees
E. List of Agents for Service of Process
F. List of State Agencies Responsible for Franchise Disclosure and Registration Laws
G. Area Development Agreement
H. Release Agreement
I. Signing Checklist

Date: ______________________________
(Do not leave blank)

By: ______________________________
(Signature)

Title: ______________________________

Name: ______________________________
(Print name)

PLEASE KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT
(Franchisor's Copy)

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 Waffle Love® offers you a franchise, it must provide this disclosure document to you 14 calendar-days or 10 business days as applicable before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Waffle Love 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, D.C. 20580 and the state administrator listed in Exhibit "F." Waffle Love authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

The franchisor, Waffle Love Franchises, LLC is located at 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003. Its telephone number is (801) 923-3588.

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G. Area Development Agreement
H. Release Agreement
I. Signing Checklist

Date: ________________________________
(Do not leave blank)

By: ________________________________
(Signature)

Title: ________________________________

Name: ________________________________
(Print name)

If you do not sign this receipt via our electronic platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to Waffle Love Franchises, LLC at 767 S. Auto Mall Drive, Suite 9, American Fork, Utah 84003, or by emailing a copy of the signed and dated receipt to adam@wafflelove.com.