



FRANCHISE DISCLOSURE DOCUMENT
GORDO'S BUBBLE WAFFLES FRANCHISE LLC
A Wisconsin limited liability company
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Milwaukee, WI 53207
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The franchise that we offer is for a retail dessert shop offering bubble waffles made fresh to order loaded with indulgent ingredients as well as mini pancakes, waffle sticks, ice cream, coffee and related menu items that we authorize from time to time.

The total investment necessary to begin operation of a Gordo's Bubble Waffles franchise under a franchise agreement is ~~\$179,189,400~~ to ~~\$468,500~~~~454,000~~. This includes \$40,000 that must be paid to the franchisor or its affiliates ~~including the initial franchise fee and initial inventory~~. The total investment necessary to begin operation of two Gordo's Bubble Waffles if you sign our Multi-Unit Development Agreement is ~~\$194,204,400~~ to ~~\$483,500~~~~469,000~~. This includes \$55,000 that must be paid to the franchisor or its affiliates ~~including the initial franchise fee, the development fee and initial inventory~~.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Omar Daher, Chief Executive Officer and Co-Founder, Gordo's Bubble Waffles Franchise LLC, 2301 South Howell Ave., Milwaukee, Wisconsin 53207.

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

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

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



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 Wisconsin. 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 Wisconsin than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
3. **Short Operating History.** This Franchisor is at an early stage of development and has limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
4. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

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.



Gordo's Bubble Waffles Franchise Disclosure Document

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- A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. MULTI-UNIT DEVELOPMENT AGREEMENT
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- E. FINANCIAL STATEMENTS
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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Gordo's Bubble Waffles Franchise LLC, the franchisor of the Gordo's Bubble Waffles franchise system, is referred to in this franchise disclosure document (the "**Disclosure Document**") as "**Franchisor**", "**we**", "**us**" or "**our**". A franchisee is referred to in this Disclosure Document as "**Franchisee**", "**you**" and "**your**". If you are a limited liability company, corporation, partnership or other legal entity (a "**Corporate Entity**"), "**Franchisee**", "**you**" and "**your**" will also include your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor and its Affiliates

We are a Wisconsin limited liability company formed on March 4, 2025. Our principal place of business is 2301 S. Howell Ave., Milwaukee, Wisconsin 53207. We conduct business under our corporate name and under the "Gordo's Bubble Waffles®" trade name and trademark. Our business is operating the Gordo's Bubble Waffles franchise system and granting franchises to third parties like you to develop and operate Gordo's Bubble Waffles franchised businesses (each a "**Franchised Business**"). We began offering franchises on the Issuance Date of this Disclosure Document. Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a business of the type to be operated by you, and we have not offered or sold franchises in any other line of business. Our registered agent for service of process is disclosed in Exhibit A of this Disclosure Document.

Our affiliate, MOSB, LLC, a Wisconsin limited liability company doing business as Gordo's Bubble Waffles, was organized on July 11, 2022, and operates two Gordo's Bubble Waffles businesses in Milwaukee, Wisconsin. Our affiliate's Gordo's Bubble Waffles businesses are similar to the franchise being offered. Our affiliate has not offered franchises in any line of business. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees. We do not have any parents or predecessors.

The Franchised Business

We grant the right to qualified franchisees to open and operate Gordo's Bubble Waffles franchised businesses under the Gordo's Bubble Waffles trademark and other trademarks, trade names, service marks, slogans and logos that we periodically designate (the "**Marks**"). Your Gordo's Bubble Waffles franchise will offer authorized menu items including, but not limited to, bubble waffles made fresh to order loaded with indulgent ingredients as well as mini pancakes, waffle sticks, ice cream, coffee and related menu items that we authorize from time to time ("**Approved Products**"). ~~Your Franchised Business will be operated from an indoor structure in a target range of 2,000 to 2,500 square feet in size and decorated to meet our specifications (including the use of our trade dress, trademark, and design). Your Franchised Business may either be a freestanding store or an endcap store in a strip mall.~~

~~Your Franchised Business will operate under a business format and unique system that includes our distinctive products; signage; distinctive interior and exterior design and accessories; operational procedures; standards and specifications; quality of products and services offered; recipes and~~



~~preparation techniques; management and inventory control procedures; valuable know-how; technology systems; trade secrets; methods of operation; training; floor plans, methods, equipment lists, and layouts; menu; the Marks; and advertising and promotional programs all of which may be developed or changed, improved, modified and further developed by us from time to time (the “System”).~~

You must operate your Franchised Business per our standard business operating practices and sign our standard franchise agreement (“**Franchise Agreement**”). A copy of our current-form Franchise Agreement is attached hereto as Exhibit B. ~~Your Franchised Business must offer only authorized products described in the Operations Manual and relayed to you through other written methods and our specifications, methods and procedures for marketing, selling, offering, and providing the Approved Products. We have the right to add, modify, or delete any services or products that you offer or sell through your Franchised Business at any time. Unless otherwise specified, the information contained in this Disclosure Document applies to single unit development under a Franchise Agreement. If you are not contracting for the right to develop multiple Gordo’s Bubble Waffles franchises, you will not be signing a Multi-Unit Development Agreement. Even if you sign a Multi-Unit Development Agreement, you sign our Franchise Agreement simultaneously with the signing of the Multi-Unit Development Agreement for the first Franchised Business.~~

~~We offer Gordo’s Bubble Waffles franchises to those individuals and corporate entities who meet our then-current standards and qualifications. You will operate one Franchised Business for each Franchise Agreement you sign with us. We will grant you one license in a designated geographical area (the “**Designated Territory**”) at a single location that we approve (the “**Approved Location**”). We also grant to certain persons that meet our qualifications and are willing to undertake the additional investment and effort, the right to develop and operate multiple Gordo’s Bubble Waffles franchises according to a schedule (the “**Development Schedule**”) within a certain defined geographic area (the “**Development Area**”). Development rights are offered only in accordance with the terms of our multi-unit development agreement (the “**Multi-Unit Development Agreement**”) attached to this Disclosure Document as Exhibit C. Upon signing the Multi-Unit Development Agreement, you will simultaneously sign the Franchise Agreement for the first Franchised Business. You must sign a separate Franchise Agreement for each Franchised Business opened under the Multi-Unit Development Agreement upon signing your lease. The then-current franchise agreement may materially differ from the Franchise Agreement disclosed in this Disclosure Document.~~

~~You must operate your Franchised Business in conformity with the specifications, procedures, criteria and requirements that we designate in our confidential operations manual and other proprietary manuals that we may designate and loan to you either in hard copy or electronically and, as we may from time to time supplement and modify other manuals and communications (collectively, the “**Operations Manual**”). The Operations Manual table of contents is attached hereto as Exhibit D and contains 266 pages.~~

Market and Competition

You can expect to compete in your market with national and regional chains and locally-owned businesses that offer ice cream and frozen treats, and other items that may compete with the products offered at a Gordo’s Bubble Waffles. The market for these items is well-established and highly



competitive. These businesses compete on the basis of factors such as price, service, store location, and product quality. The success of these businesses is often impacted both negatively and positively by other factors as well, such as changes in consumer taste, economic conditions, seasonal population fluctuation, and travel patterns. ~~Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines, as well as your entrepreneurial and managerial abilities, sales aptitude and focus on customer service.~~

Industry Specific Laws

You must comply with all local, state, and federal laws that apply to your Gordo's Bubble Waffles operations, including for example health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 (the "ADA") requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, restrooms, drinking facilities, etc. For example, you must obtain real estate permits (e.g., zoning), real estate licenses, and operational licenses. There are also regulations that pertain to handling consumer data, sanitation, healthcare, labeling, caloric information, nutrition disclosures, allergen disclosures, food preparation, food handling, and food service. You will be required to comply with all applicable federal, state, and local laws and regulations in connection with the operation of your Gordo's Bubble Waffles. You must also follow the Payment Card Industry ("PCI") Data Security Standards and comply with applicable privacy laws relating to customer credit card transactions.

We recommend that you examine and consider the impact of these and all applicable laws, regulations, and standards before entering into any agreement with us. The laws in your state or municipality may be more or less stringent, and there may be specific laws or regulations in your state or municipality regarding the operation of a Gordo's Bubble Waffles. You should consult with your attorney concerning those and other local laws and ordinances that may affect your Franchised Business.

ITEM 2 **BUSINESS EXPERIENCE**

Omar-Alfarouq H. Daher – Chief Executive Officer. Mr. Daher is our Chief Executive Officer and Founder and has held that position since our inception in Milwaukee, Wisconsin. Mr. Daher is the owner of our affiliate, Gordo's Bubble Waffles, LLC since July 2022 to the present. Mr. Daher was a business analyst for FIS Global in Milwaukee, Wisconsin, from January 2022 to April 2024. Prior to that, he was self-employed through an entity El3vate LLC from January 2020 to April 2022 in Milwaukee, Wisconsin.

Suhib Badwan – President. Mr. Badwan is our President and Founder and has held that position since our inception in Milwaukee, Wisconsin. Mr. Badwan is the owner of our affiliate, Gordo's Bubble Waffles, LLC since July 2022 to the present. Mr. Badwan was self-employed at Elevate Fitness in Milwaukee, Wisconsin from February 2020 to June 2022.

Mohammed Otallah – Chief Operating Officer. Mr. Otallah is our Chief Operating Officer and Founder and has held that position since our inception in Milwaukee, Wisconsin. He is the owner of our affiliate, Gordo's Bubble Waffles, LLC since July 2022 to the present. Prior to that, Mr. Otallah



**ITEM 6
OTHER FEES**

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee (Notes 2 and 3)	6% of Gross Sales	Weekly on Tuesday for the prior week's Gross Sales	You must pay this fee directly to us. We reserve the right to change payment terms and due dates in our discretion.
Brand Marketing Fund Contribution (Note 4)	1% of Gross Sales	Weekly on Tuesday for the prior week's Gross Sales	You must pay this fee directly to us. We reserve the right to increase the Brand Marketing Fund Contribution up to 2% of Gross Sales upon 30 days' notice to you. We may change payment terms and due dates in our discretion.
Local Marketing	\$500 per month	Monthly	We recommend but you are not required to spend this amount on pre-approved marketing within your Designated Territory. We reserve the right to make this fee mandatory upon notice and reserve the right to collect all or a portion of your local marketing expenditure to deploy in your local market using third party or affiliated marketing vendors.
Technology Fee	\$60 per week	Will be collected at same time as Royalty Fees	We may add, delete, or otherwise modify the System's technology which may result in an increase in the Technology Fee upon notice to you.
Software Licenses	\$500 per month	Monthly	You are required to pay for the software we implement in our System and maintain at least one email address. Currently, the fee for our point-of-sale (" POS ") system Toast is \$400, and Google email fees are currently \$35 per user per month. QuickBooks Online is \$65 per month for three users. These payments shall be paid directly to Approved Suppliers which may change from time to time upon notice to you.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed the legal rate allowed by law and may be adjusted to reflect same.



Audit Fee	Cost of audit	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated audit period. Includes fees incurred by us including audit, legal, travel and reasonable accommodations.
Quality Assurance Inspection Fee	Up to \$250 per inspection	As invoiced	We reserve the right to inspect your Franchised Business either directly or through a third-party inspector and, if it is determined that our brand standards have not been met, you will be responsible to correct the issues provided to you in writing and pay our costs for the inspection and any related costs associated with the inspection.
Late Fee	The greater of: (i) 5% of the amount due or (ii) \$100	As incurred	Due on each occurrence that you fail to make a timely payment to us or fail to provide a report as requested.
Collections	Actual fees, costs, and expenses	On demand	For costs and expenses incurred by us in collecting fees due to us, and/or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement. You must pay us our reasonable costs and expenses of re-inspections required by quality assurance audit and attorneys' fees.
Insufficient Funds Fee	\$250, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Supplier Review Fee	Actual fees, costs, and expenses incurred by us	As invoiced	You must pay us the costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval. <u>The range for this fee will be \$100 to \$1,000 depending on your request.</u>
Management Service Fee	Our expenses plus 10% of Gross Sales	As invoiced	Due when we (or a third party) elect to manage your Franchised Business after your Managing Owner's death or disability, or after your default or abandonment.
Transfer Fee	75% of the then-current initial franchise fee if to a third-party transferee;	On demand	Payable if we approve your transfer request, but prior to execution of final transfer agreements and authorization.

Indemnification	Will vary Actual Costs	As incurred	You must indemnify and reimburse us for all costs, fees and damages if we are sued or held liable in any case having to do with the operation of your Franchised Business or your breach of the Franchise Agreement.
Insurance Reimbursement	You must reimburse our costs plus a 10% administrative fee	When billed	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us.
Non-Compliance Fees	\$100 per day of non-compliance, plus our costs and expenses, including travel and lodging for a Quality Assurance Inspection if necessary	As invoiced	Payable for failure to timely submit reports and financial statements as required under Franchise Agreement; for failure to comply with operational standards as required and specified under Franchise Agreement; and for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
System Modifications	Varies	As required	If we make changes to the System, you must adapt your business to conform to the changes including, for example, new equipment, software, or construction materials. These costs may be paid to us or to third parties that we designate.

Explanatory Notes

Note 1: Fees Generally and Payment Requirements. The above table describes fees and payments that you must pay to us, our affiliates, or that we may impose or collect on behalf of a third party. We require payment from you subject to our specification and instruction, including, our election to have fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH Authorization Form (Franchise Agreement, Schedule 9) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. All fees are uniformly imposed for all franchisees offered under this Disclosure Document, are recurring, are non-refundable, and are payable to us, unless otherwise specified. You must install and use, at your expense, the pre-authorized payment, point of sale, credit card processing, automatic payment, automated banking, electronic debit and/or electronic funds transfer systems that we designate and require in the operation of your Franchised Business. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Note 2: Royalty Fees. You must pay us an ongoing, continuing royalty fee (the “**Royalty Fee**”). The Royalty Fee is payable and due weekly.

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Opening Inventory ^(Note 6)	\$12,000	\$22,000	Lump sum	Prior to delivery	Suppliers and Franchisor
Professional Fees ^(Note 7)	\$1,000	\$2,500	As incurred	Prior to opening your Franchised Business	Lawyers, Accountants, Advisors
Signage ^(Note 8)	\$7,000	\$14,000	As incurred	Upon ordering	Suppliers
Insurance ^(Note 9)	\$1,000	\$1,500	As arranged	Prior to opening your Franchised Business	Insurance Companies
Business Licenses and Permits ^(Note 10)	\$1,000	\$2,000	As arranged	Prior to opening your Franchised Business	Governmental Agencies
Travel, Lodging and Meals for Initial Training ^(Note 11)	\$3,400	\$8,000	As incurred	Prior to or at training	Airlines, Hotels, Restaurants, Gas Stations
Office Equipment and Supplies	\$4,000	\$6,000	As incurred	Prior to opening your Franchised Business	Suppliers
Additional Funds (3 months) ^(Note 12)	\$10,000	\$30,000	As incurred	Weekly payroll, other expenses, and purchases	Suppliers, employees, etc.
TOTAL ^(Note 13)	\$179,400	\$468,500			

Explanatory Notes

Note 1: Initial Franchise Fee. The Initial Franchise Fee shown is for one Gordo's Bubble Waffles franchise. The Initial Franchise Fee is non-refundable.

Note 2: Rent and Utilities. You must operate your Franchised Business from an Approved Location. Assuming you do not already own or lease a suitable location, you will be required to lease a site that meets our standards and is approved by us. This estimate is based on three months of rent plus a utility deposit and security deposit. You will directly negotiate your rent with the landlord, and rent will vary significantly based on a number of factors that include location and your own negotiations. We recommend you retain a commercial real estate broker familiar with market rents in your area. The cost per square foot for leasing commercial space varies considerably depending upon the location and market conditions affecting commercial property. This estimate does not include the purchase of real property should you elect to purchase the real property of your Franchised Business.

Note 3: Leasehold Improvements. This estimate is for the cost of construction, construction management and build-out of a single Gordo's Bubble Waffles franchise. Our estimates are based on the assumption that the typical square footage of a Gordo's Bubble Waffles ranges from 2,000 to 2,500 square feet. This estimated range, on the low end, is based on the assumption that you will find a second-hand restaurant or dessert shop and, on the high end, the premises will be delivered to you



abide by these regulations, and as a result may experience higher or lower costs for your exterior signage.

Note 9: Insurance. You must obtain certain insurance covering your Franchised Business. Factors that may affect your cost of insurance include the size and location of your Franchised Business, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time you sign the Franchise Agreement. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

Note 10: Licenses and Permits. You must ensure that you have all necessary permits and business licenses to open your Franchised Business. We are basing this estimate on our affiliate location in Milwaukee, Wisconsin.

Note 11: Initial Training Expenses. You must complete our pre-opening training program before opening your Franchised Business. This estimate is for your estimated travel and lodging expenses, if applicable, to train at our headquarters in Milwaukee, Wisconsin, or a location that we designate.

Note 12: Additional Funds. You may need additional capital to support on-going expenses, such as utilities, insurance, licenses, inventory, labor, security, repairs and maintenance, and miscellaneous expenses. This estimate includes wages for employees but does not include a salary or draw for your owners. The estimate also does not include Royalty Fee or any other fee payments due to us. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be approximately three months. You will need to have staff on hand before opening to prepare your Franchised Business for opening, for training, orientation, and related purposes. In formulating this estimate, we have relied on the initial development costs of our affiliate's Gordo's Bubble Waffles business in Milwaukee, Wisconsin. We recommend you review these figures carefully with your business advisor and other hired professionals.

Note 13: About Your Estimated Initial Investment. This is an estimate of the initial start-up expenses for a single Franchised Business. We have based these estimates on our affiliate's experience in owning a Gordo's Bubble Waffles business in Milwaukee, Wisconsin. ~~These are only estimates, and your costs and the range of those costs may vary. Factors that may influence your costs include the size of your Franchised Business; local geographic market and economic conditions including rent, labor, and construction costs and availability; local licensing costs; inflation; competition; the facilities and existing build-out of the Approved Location that you select; tenant improvement allowances; the capabilities of your management team; and the level of sales achieved by your Franchised Business. All payments to us or our affiliates are non-refundable. We do not finance any portion of your initial investment.~~ These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. You should carefully review these estimates with your business, accounting and legal advisors before making any decision to sign a Franchise Agreement.

Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT



Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee (Note 1)	\$15,000 (assuming one additional franchise)	Lump sum	When Franchise Agreement and Multi-Unit Development Agreement are signed	Us
Estimated Initial Investment to Open One Franchised Business (Note 2)	\$179,189 ,400 – \$468,500 454,000	Estimated Initial Investment is based on the estimate contained in the Table above of this Item 7 for a Franchise Agreement.		
Total Estimate (Note 3)	\$194,204 ,400 – \$483,500 469,000			

Explanatory Notes for Multi-Unit

Note 1: Development Fee. When you sign a Multi-Unit Development Agreement, you must also sign a Franchise Agreement for the first Franchised Business that you will be required to develop according to a defined schedule (the “Development Schedule”) within a certain defined geographic area (the “Development Area”) under your Multi-Unit Development Agreement. In addition to paying us the Initial Franchise Fee for your first Franchise Agreement, you will pay us a Development Fee equal to half of the Development Fee for each additional Gordo’s Bubble Waffles location we grant you to develop and open. The amount of the Development Fee varies depending on the number and type of additional Gordo’s Bubble Waffles franchises that we grant you to develop within the Development Area. At the time you sign a franchise agreement for each additional unit in your Development Schedule, you will pay us the second half of the Development Fee of \$15,000 per unit. The minimum number of Gordo’s Bubble Waffles franchises you can open under the Multi-Unit Development Agreement is two, which is the number contemplated in this chart.

Note 2: Estimated Initial Investment. This is the estimated initial investment for the development of one Franchised Business as reflected in the Table above.

Note 3: Total Estimate. This is the total estimated investment to enter into a Franchise Agreement and a Multi-Unit Development Agreement. This estimate does not include the estimated initial investment that you will incur for development of each Gordo’s Bubble Waffles franchise under your Multi-Unit Development Agreement. We cannot assure you that you will not have additional expenses toward the development of Gordo’s Bubble Waffles businesses under the Multi-Unit Development Agreement. We recommend you review these estimates carefully with your business advisor, accountant or attorney before making any decision to sign the Multi-Unit Development Agreement.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the Approved Products at your Franchised Business. You may only use products, supplies, equipment, technology systems, point-of-sale system, décor items, and uniforms



that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Franchised Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Operations Manual. The “System” includes our Franchisor’s distinctive products; signage; distinctive interior and exterior design and accessories; operational procedures; standards and specifications; quality of products and services offered; recipes and preparation techniques; management and inventory control procedures; valuable know-how; technology systems; trade secrets; methods of operation; training; floor plans, methods, equipment lists, and layouts; menu; the Marks; and advertising and promotional programs all of which may be developed or changed, improved, modified and further developed by Franchisor from time to time.

Restricted Source of Products

We require that you purchase or lease certain source-restricted products for the development and operation of your Franchised Business. Source-restricted products are those that must meet our specifications and/or that must be purchased from an approved or designated supplier that may include us or our affiliates (each, an “**Approved Supplier**”). We may designate a supplier, including us or our affiliates, as the exclusive supplier for Approved Products in the System.

Our specifications and list of approved and designated suppliers is contained in our Operations Manual. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Operations Manual, and other forms of communication. We formulate and modify our standards and specifications for products based on our business judgment, industry experience and our management decisions as to the overall operation and expansion of the System.

Suppliers and Supplier Criteria

We may designate us and/or our affiliates as an Approved Supplier and/or as an exclusive supplier of source restricted products including bubble waffle mix and related equipment, retail items, inventory, equipment, apparel, supplies, uniforms, marketing materials and branded items. We may designate us or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If, in the Operations Manual, we do not designate a supplier for a particular item, you will purchase all such products and supplies from suppliers who meet our specifications and standards. Currently, we serve as a supplier of bubble waffle mix which you must purchase from us. Our officers do not own any interest in any third-party supplier.

If you would like to sell any products or use any products in establishing and operating your Franchised Business that we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the products meet our standards and specifications, or the supplier meets our criteria for suppliers. You must pay our expenses to evaluate products or suppliers regardless of whether we provide our approval or not. The range for this fee will be \$100 to \$1,000 depending on your request. We will decide within ~~a reasonable time after receiving the required~~

~~information (usually 30 days)~~ whether you may purchase or lease the products from the proposed supplier.

We have the right to revoke the approval of particular vendors or suppliers if we determine that their products no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved vendor. In addition, if we revoke our approval of the products because they fail to meet our standards, you may be required not to use your remaining inventory of those products. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of products at competitive prices; production and delivery capability; our existing relationships with competitive vendors; the supplier's ability to ship to the entire franchise System; the supplier's location, years in business, quality control standards and warranty policies; and experience, dependability and general reputation.

We estimate that your purchase of goods and services according to our specifications, including your purchase of products or services from Approved Suppliers, us or our affiliates, represent approximately 75% to 85% of your total purchases and leases in establishing the Franchised Business and approximately 65% to 75% of the on-going operating expenses of the Franchised Business.

Credit Card Processing

You must use our Approved Supplier for credit card processing, which may be integrated with the point-of-sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit cards processed.

Computer System

You are required to purchase and utilize a computer system, which includes our designated POS system, described in Item 11 below on-site at your Approved Location. Generally, the computer system will consist of certain hardware and software such as our point-of-sale system. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access. During the term of the Franchise Agreement, you may be required to upgrade the equipment, hardware, and software as we require.

~~Online Ordering, Customer Rewards, and Gift Cards~~

~~While we do not have online ordering or customer rewards at this time, we reserve the right to implement them in our System through notice to you. Once implemented, you must use our designated supplier and vendor for the ability to access and use online, point of sale system integrated, web based, and/or app based, ordering, and customer rewards. You must comply with all policies related to gift cards in our Operations Manual.~~

Branded Items and Marketing Materials

All products bearing the Marks (including, but not limited to, point of purchase marketing, merchandise, retail items, stationery, business cards, brochures, brochures, uniforms, merchandise, apparel, signs and displays) must meet our standards and specifications and must be purchased from



Suppliers that you may purchase from, and we may designate one vendor as your sole Approved Supplier. As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. We were not selling franchises prior to the issuance date of the Disclosure Document and did not derive any revenue from franchisee purchases. We have never earned revenue from approved suppliers based on our franchisees’ purchases. We do not provide our franchisees with any material benefits based on a franchisee’s purchase of particular products or use of particular suppliers.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

This table lists your principal obligations under the Franchise Agreement 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	Sections in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	2 and 3	7 and 11
b. Pre-opening purchases and leases	3 and 8	7 and 8
c. Site development and other pre-opening requirements	3	6, 7 and 11
d. Initial and ongoing training	4	11
e. Opening	2, 3, 4 and 9	11
f. Fees	3, 4, 5, 9, 12, 13, 14, 15, 16 and 18	5, 6 and 7
g. Compliance with standards and policies/manual	2, 3 and 4	8 and 11
h. Trademarks and proprietary information	6, 7 and 11	13 and 14
i. Restrictions on products and services offered	3, 4, 7 and 8	8, 11 and 16
j. Warranty and customer service requirements	7	16
k. Territorial development and sales quotas	2	12
l. Ongoing product and service purchases	3, 4, 5 and 7	8



5. Provide you and your Operations Manager (if applicable) with training in accordance with our initial training program. (Franchise Agreement, [Section 4](#)).
6. Identify your Franchised Business on our System Website. (Franchise Agreement, [Sections 3.6 and 9](#)).
7. Provide you with access to the Operations Manual which we may update from time to time. (Franchise Agreement, [Section 4.3](#)).
8. Provide marketing assistance as we deem necessary for your Franchised Business to assist with your grand opening marketing. (Franchise Agreement, [Section 4.2](#)).
9. Provide you with information regarding approved, required and preferred products, suppliers and services. Franchisor may provide guidance to Franchisee regarding recommended prices to be charged for Approved Products; however, Franchisee shall be free to establish its own prices, subject to any maximum or minimum prices established by Franchisor subject to applicable law. (Franchise Agreement, Section 7.3).

Site Selection

You are responsible for selecting a site for your Franchised Business, and you must obtain our approval of your site (referred to herein as the “**Approved Location**”). You are responsible for all costs and expenses in locating and evaluating proposed sites and the demographic data associated with your proposed sites. We do not typically own or lease the real property for your Franchised Business. We will provide you with site selection guidelines. If you do not know your Approved Location at the time you sign our Franchise Agreement, you must find your Approved Location within the search area provided to you upon signing the Franchise Agreement. After the site is approved, we will designate your Designated Territory in [Schedule 1](#) to the Franchise Agreement.

We will approve your site ~~within a reasonable time period, not exceeding~~ 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request. In determining whether to approve or disapprove a proposed site for your Franchised Business, factors that we take into consideration include: (a) population density, demographic factors, traffic patterns, parking, building structures, visibility and available sign locations; (b) the location of your proposed site relative to other Gordo’s Bubble Waffles businesses and competitors; and (c) whether or not the landlord is amenable to our Lease Agreement Rider in substantially the same form as contained in [Schedule 6](#) of the Franchise Agreement. Under the Multi-Unit Development Agreement, we will approve each Gordo’s Bubble Waffles business, based on our then current site selection standards, within your Development Area and determine the Designated Territory for each Franchised Business.

Within 90 days of signing your Franchise Agreement, you must secure a site and a lease that we approve. You must sign your lease within 120 days from the signing of the Franchise Agreement. It is your obligation to consult with government agencies, architects and legal professionals to evaluate



and determine that your proposed site permits the establishment and operation of a Gordo's Bubble Waffles business and that you possess the necessary licenses and authority to operate a Franchised Business that offers and provides the Approved Products.

We may review the terms of the lease for your Approved Location. We require that your landlord acknowledge our rights as set forth in the lease agreement rider attached as Schedule 6 to the Franchise Agreement (the "**Lease Agreement Rider**") and that you collaterally assign the lease to us as set forth in the Collateral Assignment of Lease attached as Schedule 7 to the Franchise Agreement. ~~Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for Gordo's Bubble Waffles businesses nor the specific location of your Franchised Business will constitute a warranty or representation of any kind, express or implied, as to the suitability or profitability of the Approved Location. Our acceptance of your proposed site merely signifies that we are willing to grant you a Gordo's Bubble Waffles franchise at the proposed site.~~

Time to Open

We estimate that the length of time between the signing of your Franchise Agreement and opening your Franchised Business and commencing business will typically be four to six months. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site; (b) timeliness of your submission to us of information and documentation that we may request in determining whether or not to approve of the proposed site; (c) negotiating and obtaining a lease; (d) obtaining third party lender financing, if necessary; and (e) obtaining the necessary licenses for the operation of your Franchised Business.

You must open your Franchised Business within six months of the Effective Date of your Franchise Agreement (the "**Opening Deadline**"). If you are not open by the Opening Deadline, then you must request an extension which we may grant in our discretion. If you are not open within nine months, we may terminate your Franchise Agreement without refunding any fees to you. You may not open your Franchised Business until you and, if you are a Corporate Entity, your Managing Owner, and your Operations Manager have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Designated Territory, obtained and provided us with written proof of the required insurance, and have timely secured a leased or purchased site that we have approved.

Post-Opening Obligations

After you open your Franchised Business, we will do the following:

1. Provide additional on-site or virtual training that we may designate and require. You will pay our then-current training fee plus travel expenses, meals and accommodation expenses incurred by us and our trainers. (Franchise Agreement, Section 4.1).
2. Offer and make available to any replacement Operations Managers our initial training program which must be complete to our satisfaction. You will pay our then-current additional training fee for your replacement Operations Manager. You will also be responsible for all costs incurred by us and your representatives attending our initial training (Franchise Agreement, Sections 4.1).

3. Provide updated information as to the standards, procedures and System requirements including, but not limited to, updates to the Operations Manual, Approved Products, marketing and promotion standards as we may, in our discretion, designate, modify, supplement and amend and modify. (Franchise Agreement, Sections 4.2 and 4.3).
4. Establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that you may utilize. (Franchise Agreement, Section 4.2).
5. Provide the names and addresses of newly approved and/or revoked Approved Suppliers. (Franchise Agreement, Section 7.6).
6. Administer and manage the Brand Marketing Fund in a manner that we deem necessary in our sole discretion to promote the Gordo's Bubble Waffles brand and our franchisees. (Franchise Agreement, Section 9.1).

Advertising Generally

All advertising, marketing, marketing materials and all marketing avenues used by you in the marketing and promotion of your Franchised Business must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize the advertising and marketing materials and avenues that we designate and approve in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and Social and Digital Media that you may utilize at your own expense. If you wish to use marketing materials and/or mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to spend any amount on your behalf on advertising in your Designated Territory, and we are not required to conduct any advertising on your behalf.

Internet Advertising

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator gordosbubblewaffles.com (the “**System Website**”) that provides information about the System and about Gordo's Bubble Waffles generally. We will provide you with a sub-page on our home page, where we will have contact information on your location. We retain the sole right to post content on our System Website and otherwise market on the internet, ~~including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our internet marketing efforts, and you must follow our intranet and internet usage rules, policies and requirements.~~ We retain the sole right to use the Marks on the internet, ~~including on websites, such as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements.~~ We retain the sole right to



approve any linking to, or other use of, the System Website. You are not permitted to use any domain names in your Franchised Business including domains containing Gordo's Bubble Waffles in the URL.

We control and are the absolute owner of any and all interactive or static digital documents, applications and/or media that is connected to and/or in a network of computers and/or other devices linked by communications software, part of the world wide web, linked by the Internet or part of a web-based application, software application, smart phone application or social media platform such as Facebook, LinkedIn, Twitter/X, Pinterest, Instagram, TikTok, SnapChat, and YouTube, and internet-based directories and online directories that refer, reference, identify, review, promote and/or relate, in any way, to, Gordo's Bubble Waffles businesses, the Franchised Business, the Marks, the System and/or the Franchisor (the "**Social and Digital Media**").

Social and Digital Media further includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally. Your use of Social and Digital Media shall be subject to and require our express written consent which shall and may be withheld by us. ~~We reserve all rights to the marketing, sale and distribution of Approved Products through Social and Digital Media.~~ If we approve your right to utilize Social and Digital Media in your Franchised Business, you agree that all Social and Digital Media accounts associated with and/or relating to your Franchised Business shall be jointly administered and, upon our demand, be transferred to us. You shall execute and deliver to us the Assignment of Telephone Numbers and Social and Digital Media Accounts Agreement attached to the Franchise Agreement as Schedule 8.

~~You may not use, access or open accounts regarding or related to Social and Digital Media unless expressly approved by us in writing and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with our standards and specifications. Posts to your Social and Digital Media must be approved by us prior to publication. You must address online comments per our specifications in the Operations Manual.~~

~~Upon expiration or termination of the Franchise Agreement for any reason, your rights to use the Social and Digital Media shall be automatically terminated and, at our election, the right to any and all accounts and/or sites (if any) associated with Social and Digital Media utilized by you shall be transferred to us. We may require that you exclusively use, at your cost, our Approved Supplier for social and digital marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.~~

Local Marketing

~~We recommend that you spend up to \$500 per month on local marketing, advertising and promotion of your Franchised Business. We may require you to spend local marketing in the future in specified amount of no more than \$500. Local advertising expenditures are not included in your Brand Marketing Fund Contribution and will be your sole cost and expense. With our approval, you may allocate these~~With our approval, you may allocate local marketing monies toward print and direct mail and/or digital marketing utilizing the following advertising mediums: (i) pay per click advertising through Google; (ii) Facebook advertising campaigns; (iii) YouTube advertising campaigns; (iv) Instagram advertising campaigns; (v) email marketing campaigns; (vi) localized digital campaigns utilizing search engine optimization tools (SEO); and (vi) any additional local marketing initiatives.

~~Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or approved the plans or materials). If you email us with your request for approval, along with all the information needed, we will ordinarily provide you with our response (whether approval or disapproval) within 10 business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove of the plans or materials. All copyrights in and to marketing, advertising and promotional materials you develop (or those are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision.~~

We, our Approved Suppliers or our affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing. ~~As used in the Franchise Agreement, the term “local marketing” refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees’ expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.~~

Brand Marketing Fund

We may control and administer a marketing and brand development fund (the “**Brand Marketing Fund**”). You must contribute a sum of 1% of weekly Gross Sales as a Brand Marketing Fund Contribution. Other franchisees may be allowed to contribute different amounts or at different rates than you. We will maintain and administer the Brand Marketing Fund as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, internet, or other media for advertisements and promotions. ~~We do not guarantee that any particular Gordo’s Bubble Waffles franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Marketing Fund.~~ We are not obligated to spend any amount of Brand Marketing Fund Contributions in your Designated Territory or in any particular franchisee’s territory.
2. We will use Brand Marketing Fund Contributions for producing, maintaining, administering and directing consumer advertising on a national and/or regional level as we deem necessary or appropriate, in our sole discretion. We may use multiple sources for advertising including in-house and regional or national agencies. We will not use Brand Marketing Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead

related to the administration of the Brand Marketing Fund. ~~We will account for the Brand Marketing Fund Contributions separately from other operating funds. We will not use Brand Marketing Fund Contributions for the direct solicitation of franchise sales; however, we may include a statement regarding the availability of information about the purchase of Gordo's Bubble Waffles franchises in advertising and other items produced or distributed using the Brand Marketing Fund.~~

3. We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Marketing Fund are spent in the fiscal year in which they accrue, the money will remain in the Brand Marketing Fund to be spent in subsequent years. We will use any interest or other earnings of the Brand Marketing Fund before we use current contributions. We intend for the Brand Marketing Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share. In the last fiscal year, we did not administer a Brand Marketing Fund and, therefore, we did not collect or spend any Brand Marketing Fund Contributions.
4. The Brand Marketing Fund is not audited. ~~The Brand Marketing Fund is not a trust, and we assume no fiduciary duty in administering it.~~ Upon your written request, we will provide you, within 120 days of our fiscal year end, a written statement for such fiscal period setting forth in brief detail the total amounts collected, and disbursements made by us in connection with the Brand Marketing Fund. Locations owned by us or our affiliates are not required to contribute to the Brand Marketing Fund.
5. ~~Except for the salaries of marketing personnel employed by us, we do not receive compensation for administering the Brand Marketing Fund. The Brand Marketing Fund is not and will not be our asset.~~ 5. If amounts are unspent in the Brand Marketing Fund at fiscal year-end, those amounts are carried over by the Brand Marketing Fund for expenditure in the following year. ~~Except as described above, we are not obligated to advertise.~~

Local and Regional Advertising Cooperative

We have the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Franchised Business, you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations.

We have not implemented any local or regional advertising cooperatives but reserve the right to do so in the future. We reserve the right to form, change, dissolve, or merge with any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Franchised Business, you will be required to participate in the cooperative in accordance with the provisions of our Operations Manual which we may supplement and modify from time to time.

You will not be required to make contributions to a local or regional advertising cooperative will count toward your local marketing requirements. ~~We have not implemented any local or regional advertising cooperatives but reserve the right to do so in the future.~~

Advertising Council

We have not established an advertising council but reserve the right to do so in the future.

Computer System

You must purchase, license and use the computer, point of sale, business management, and ordering systems that we designate. You must purchase at least one POS system hardware terminal from our Approved Supplier Toast and a computer for the back office. Generally, you will be required to obtain a computer system that will consist of certain hardware and software and, among other things, you will be required to meet our requirements for: (a) back office and POS systems; (b) security systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) high speed internet access. The initial upfront cost of the point of sale and computer system that you will be required to purchase ranges from \$1,500 to \$3,500.

You are obligated to install and/or access all required POS system and software upgrades. You are responsible for hardware repairs or replacement of systems. Your estimated costs for the maintenance, repair and updates for the computer and point of sale systems is estimated not to exceed \$500 per year. There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. We will have independent access to all information and data that is electronically transmitted on your POS system and will have access to all data related to the financial performance of your Franchised Business. There are no contractual limitations on our right to access your computer system in its entirety.

Initial Training

If this is your first Franchised Business being opened, we will provide initial training for you, or if you are a Corporate Entity, your Managing Owner, and Operations Manager(s) at your Approved Location, virtually or at another location that we designate. You or, if you are a Corporate Entity, your Managing Owner and your Operations Manager(s) must successfully attend and complete the initial training program to our satisfaction before the opening of your Franchised Business. We conduct the initial training program periodically as needed but not less than once per quarter. The initial training program takes place over an approximate one-week period.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Gordo’s Bubble Waffles Brand Orientation	1	0	Milwaukee, WI, virtually or another location we designate



Gordo's Bubble Waffles Business Operations	4	4	Milwaukee, WI, virtually or another location we designate
Self-Service and Professional Services and Products	8	4	Milwaukee, WI, virtually or another location we designate
Customer Service	4	2	Milwaukee, WI, virtually or another location we designate
Point of Sale, Technology and Computer System	2	1	Milwaukee, WI, virtually or another location we designate
Safety Training	1	3	Milwaukee, WI, virtually or another location we designate
Back Office Systems and Reporting Requirements	2	0	Milwaukee, WI, virtually or another location we designate
Opening/Closing Store	1	1	Milwaukee, WI, virtually or another location we designate
Marketing Strategies	2	0	Milwaukee, WI, virtually or another location we designate
Total Hours	25	15	

The number of hours listed in the chart above are estimates only, and the number of hours we will spend training you will depend on your experience in the retail dessert shop industry and the franchise industry as well as job history, business acumen, and other related factors. We use our Operations Manual, live instruction, and handouts during the initial training program. Initial training will be conducted under the direction and supervision of Omar Daher, Suhib Badwan, and Mohammed Otallah, who have experience operating Gordo's Bubble Waffles businesses since June 2022 and whose biographies are set forth in Item 2.

Initial training is included with the Initial Franchise Fee for two trainees. If Franchisee desires additional trainees attend the initial training program, Franchisee shall pay \$1,500 per trainee. Franchisee must pay for the fees associated with training new hires as well as the costs of airfare, ground transportation, lodging, meals, personal expenses, and the Operations Manager's salary and benefits.

We may require you, or if you are a Corporate Entity, your Managing Owner, Operations Manager(s) and employees periodically attend additional courses, seminars, and other additional training programs including refresher training. You will incur expenses in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. You must pay our then-current per diem training charges of \$350 per day per trainer for additional training.

You must operate your Franchised Business in conformity with the specifications, procedures, criteria and requirements that we designate in our confidential operations manual and other proprietary manuals that we may designate and loan to you either in hard copy or electronically and, as we may from time-to-time supplement and modify other manuals and communications (collectively, the "Operations Manual"). The Operations Manual table of contents is attached hereto as Exhibit D and contains 266 pages.

ITEM 12



TERRITORY

Grant of Territory

Once you identify a site that we approve for your Approved Location, we will designate an area around your site ~~as your~~ (the “**Designated Territory**”) which will be based on the particular geographic area surrounding your Approved Location and determined by us, in our sole discretion, using the mapping service, program and/or software selected by us. The typical Designated Territory will be a five-mile radius around your Approved Location in a suburban or rural setting and may be a smaller radius in an urban or downtown location in our sole discretion.

Relocation

You are not allowed to relocate your Franchised Business without our approval. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Gordo’s Bubble Waffles businesses, our System expansion plans, the Designated Territory, demographics of your proposed relocation site and other factors that, at the time of a relocation request, are relevant to us.

Establishment of Additional Franchises

You do not have the right to establish additional Gordo’s Bubble Waffles franchises under the Franchise Agreement. Our approval of future franchise development will be based on our then-current site and territory criteria. You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises. If you wish to develop additional Gordo’s Bubble Waffles franchises, you must enter into our Multi-Unit Development Agreement and/or a new franchise agreement and meet all our then-current requirements for franchisees.

Territory Rights

You will not receive an exclusive territory. You may face competition from other Gordo’s Bubble Waffles franchisees, from outlets that we own, or from other channels of distribution.

However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our reserved rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Gordo’s Bubble Waffles franchise within your Designated Territory.

~~We and our affiliates reserve the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you to engage in the following activities: (a) to use, and to license others to use, the Marks and System for the operation of Gordo’s Bubble Waffles franchised, company-owned and affiliate-owned businesses at any location other than in the Designated Territory, regardless of proximity to the Designated Territory; (b) to use, license or franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including inside the Designated Territory, in association with operations that are the same as, similar to or different than the Franchised Business; (c) to offer the~~



~~Approved Products, or grant others the right to offer the Approved Products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, grocers, supermarkets, wholesalers, retail outlets or distribution outlets other than franchises, or by e-commerce, mail order or otherwise (“Alternative Channels of Distribution”), whether inside or outside the Designated Territory; (d) to use any websites utilizing a domain name incorporating one or more of the word “Gordo’s Bubble Waffles” or similar derivatives thereof; (e) to acquire businesses that are the same as or similar to the Franchised Business and operate such businesses regardless of where such businesses are located, including inside the Designated Territory under different Marks and to be acquired by any third party which operates businesses that are the same as or similar to the Franchised Business regardless of where such businesses are located, including inside the Designated Territory; (f) to be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are competitive to Gordo’s Bubble Waffles, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate such businesses, within your Designated Territory; (g) and to open Gordo’s Bubble Waffles franchises at non-traditional sites in your Designated Territory including, without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums (“Non-Traditional Sites”).~~

Our reserved right authorizing us to sell products in your Designated Territory through Alternative Channels of Distribution may affect your ability to sell those products. There are no restrictions on our right to solicit or accept orders from consumers inside your Designated Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Designated Territory. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks that sell or distribute similar products to those that you will offer but we reserve the right to do so in the future. Neither we nor our affiliates are restricted from establishing other franchises or company-owned outlets, or other channels of distribution, selling or leasing similar products under a different trademark.

~~Under the Multi-Unit Development Agreement, the developer will receive a designated territory and neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Franchised Businesses within the Development Area, except the franchises that are granted to area developer pursuant to the Multi-Unit Development Agreement and except as otherwise expressly provided in the Multi-Unit Development Agreement. However, we have the right to terminate the protection if the developer is not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it. Your territorial rights may not, in our discretion, include the right to develop Franchises Businesses at any Non-Traditional Sites. We will approve each Franchised Business, based on our then current site selection standards, within your Development Area and determine the Designated Territory for each Franchised Business. You are not granted any other option, right of first refusal or similar right to acquire additional Franchised Businesses in your Development Area under the Multi-Unit Development Agreement. To maintain your rights under the Multi-Unit Development Agreement, you must have open and in operation the cumulative number of Franchised Businesses as stated on the Development Schedule by the dates agreed upon in the Development Schedule. Failure to do so will be grounds for termination of the Multi-Unit Development Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.~~



business which may increase your expenses. Other than the license agreement with our parent, there are no agreements that limit our right to use or license the use of the trademarks.

The principal trademark identified in the chart above is a part of the Marks, our System, and, unless otherwise designated by us, will be used by you in the operations of the Franchised Business. All required affidavits have been and will be filed with the USPTO. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. We intend to renew the registration and file all appropriate affidavits for the Marks at the times required by law.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There is no other pending material in federal or state court litigation regarding our use or ownership rights in a trademark. We know of no other infringing or prior superior uses that could materially affect the use of this trademark and the Marks generally.

~~You do not receive any rights to this trademark other than the right to use it in the operation of your Franchised Business. You must follow our rules when you use this trademark and our Marks. You must use this trademark, the Marks and another trademarks, slogans, trade dress, and logos we may authorize as the sole trade identification of the Franchised Business.~~

~~You cannot use this trademark or any of our Marks or portion thereof as part of any business entity name. You may not use our trademark or any of the Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the trademark or the Marks generally by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of this trademark or the Marks generally. You must not assist any other person in contesting the validity or ownership of this trademark or the Marks generally.~~

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. You must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so; however, you may communicate with your own counsel at your own expense.

We will protect your right to use this trademark and the Marks generally. We will protect you against claims of infringement and unfair competition related to the Marks provided you use the Marks in accordance with the terms of your Franchise Agreement, as designated by us in the Operations Manual, and, otherwise, as we instruct you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Marks, provided your use of the Marks comply with the terms of your Franchise Agreement, the Operations Manual, our written instructions and, that you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement. If we defend the claim, we have no obligation under the Franchise Agreement to indemnify or reimburse you with



OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you or, if you are a Corporate Entity, your designated managing shareholder, member or partner (your “**Managing Owner**”) be personally responsible for the management and overall supervision of your Franchised Business. Your Managing Owner must complete, ~~to our satisfaction,~~ our initial training program and be approved by us before you open. Your Managing Owner must possess, maintain and own not less than 25% of the equity and ownership interests in the partnership or Corporate Entity.

While we recommend that your Managing Owner personally participate in the day-to-day management and on-site supervision and operations of your Franchised Business, you may hire a manager (“**Operations Manager**”) to supervise and manage the day-to-day on-site operations of your Franchised Business provided that your Operations Manager: (a) meets all of our minimum standards and criteria for managers; (b) completes our initial training program; and (c) signs our Nondisclosure, Non-Competition and Confidentiality Agreement. At all times, your Franchised Business must be managed and supervised on-site by either a Managing Owner or Operations Manager. If you own and operate multiple Gordo’s Bubble Waffles franchises, then each Approved Location must be managed and supervised on-site by an Operations Manager. Your Operations Manager is not required to possess an equity interest in the Franchised Business. In the event that Franchisee is an individual, the Restrictive Covenants and Obligations Section of the Franchise Agreement (Section 6) will also apply to Franchisee’s spouse and immediate family members.

You may not change or otherwise replace the Operations Manager of your Franchised Business without informing us in writing. If your relationship with your Operations Manager terminates or materially changes, you will be required to promptly designate a new Operations Manager and have the new Operations Manager trained within 30 days of termination subject to our availability and at your sole cost. You and, if you are a Corporate Entity, each of your members, shareholders and/or partners (each, an “**Owner**”), must personally guarantee all of your obligations to us under the Franchise Agreement and sign the Owner’s Guaranty attached as Schedule 3 to the Franchise Agreement. Each Owner must be listed in Schedule 2 to the Franchise Agreement, and you are obligated to keep this schedule and the information therein up to date.

~~You acknowledge that the success or failure of the franchise as a business enterprise is dependent on your efforts. The licensing of this franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities associated with running a small business.~~ You will be solely responsible to locate, interview, hire, schedule, supervise, compensate and discipline all employees and independent contractors of your Franchised Business and be exclusively responsible for all terms of their employment, compensation and other personnel-related matters without influence from us. You will implement a training program for your Franchised Business employees and will maintain at all times a staff of trained employees sufficient to operate your Franchised Business in compliance with our mandatory standards.

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell all the Approved Products we specify. You may not sell any services or



1. **Two businesses have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**
2. The Marquette location in Milwaukee, Wisconsin, opened in April 2024. The numbers shown reflect eight months of operation.
3. "Gross Sales" represents the actual gross revenue from the sale of Approved Products at the Reporting Business during the respective periods.
4. "Adjusted Total Expenses" includes expenses that would be substantially similar to a franchised outlet and excludes postage, legal fees paid toward development of the franchise, depreciation, repairs and maintenance on equipment, and vehicle expenses.
5. "Imputed Fees" does not include the required local marketing of up to \$500 because the local marketing and advertising cost is recommended but not required.
6. "Adjusted Net Income" means the omission of expenses that were specific to the Reporting Business that we do not expect will be incurred at the Franchised Business unless the Franchisee chooses to do so including but not limited to travel, meals and entertainment, and equipment purchases. Further, the financial information used to prepare this Item 19 financial performance representation was based upon unaudited profit and loss information. Written substantiation of all financial information presented in this financial performance representation will be made available to you upon reasonable written request.
7. "Adjusted Profit Margin" means the Adjusted Net Income divided by the Gross Sales.
8. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Omar Daher, Chief Executive Officer and Co-Founder, Gordo's Bubble Waffles Franchise LLC, 2301 South Howell Ave., Milwaukee, Wisconsin 53207, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY

FOR YEARS 2022 to 2024



are our unaudited financial statements through June 30, 2025 and audited financials as of ~~the issuance date of this Disclosure Document~~ March 15, 2025. Our fiscal year ends on December 31.

ITEM 22 **CONTRACTS**

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit <u>B</u>	Franchise Agreement
Exhibit <u>C</u>	Multi-Unit Development Agreement
Exhibit <u>G</u>	Franchisee Disclosure Questionnaire
Exhibit <u>H</u>	State Specific Addenda

Schedules to the Franchise Agreement

Schedule <u>1</u>	Approved Location, Designated Territory and Opening Deadline
Schedule <u>2</u>	Statement of Franchise Owners
Schedule <u>3</u>	Owner's Guaranty
Schedule <u>4</u>	Nondisclosure, Non-Competition and Confidentiality Agreement
Schedule <u>5</u>	Site Selection Acknowledgment Form
Schedule <u>6</u>	Franchisor Rider to Lease
Schedule <u>7</u>	Collateral Assignment of Lease
Schedule <u>8</u>	Assignment of Telephone Numbers and Social and Digital Media Accounts
Schedule <u>9</u>	ACH Payment Agreement
Schedule <u>10</u>	General Release
Schedule <u>11</u>	State Addendum to Franchise Agreement



FRANCHISE AGREEMENT

This Franchise Agreement (this “**Agreement**”) is made and entered on _____
(the “**Effective Date**”) by and between:

- Gordo’s Bubble Waffles Franchise LLC, a Wisconsin limited liability company, having its principal place of business at 2301 S. Howell Ave., Milwaukee, Wisconsin 53207 (“**Franchisor**”); and
- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ (“**Franchisee**”).

RECITALS

WHEREAS, Franchisor and its affiliates have developed a retail dessert business offering bubble waffles made fresh to order loaded with indulgent ingredients as well as mini pancakes, waffle sticks, ice cream, coffee and related menu items that Franchisor authorizes from time to time (the “**Franchised Business**”);

WHEREAS, Franchisor has developed a unique system that includes the Franchisor’s distinctive products; signage; distinctive interior and exterior design and accessories; operational procedures; standards and specifications; quality of products and services offered; recipes and preparation techniques; management and inventory control procedures; valuable know-how; technology systems; trade secrets; methods of operation; training; floor plans, methods, equipment lists, and layouts; menu; the Marks; and advertising and promotional programs all of which may be developed or changed, improved, modified and further developed by Franchisor from time to time (the “**System**”);

WHEREAS, the distinguishing characteristics of the System include the trade name “Gordo’s Bubble Waffles” and other trademarks and trade names, slogans and logos that the Franchisor authorizes and may periodically designate (the “**Marks**”);

WHEREAS, Franchisee acknowledges the importance to the System of Franchisor’s high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a Franchised Business in conformity with the System;

~~**WHEREAS**, Franchisee has conducted an independent investigation into the benefits of the System and desires to obtain the right to use the System in the development and operation of one Franchised Business from a single fixed location within a designated geographic area granted by the Franchisor;~~

WHEREAS, Franchisee recognizes that, in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor’s reasonable present and future requirements regarding the types of products sold, advertising, operational techniques, sales strategies and related matters;



~~WHEREAS, Franchisee has been advised that, prior to signing this Agreement, Franchisee should retain independent legal counsel to advise Franchisee as to the risks and requirements of purchasing a Gordo's Bubble Waffles franchise and that Franchisee has been advised that Franchisee is responsible for compliance with all applicable federal, state and municipal laws in Franchisee's jurisdiction related to the operation of a Franchised Business;~~

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:

SECTION 1 **DEFINITIONS**

The following definitions are defined as follows:

“Accounting Period” refers to and means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. Unless otherwise designated by Franchisor and unless otherwise specified in this Agreement, the Accounting Period shall be monthly, but Franchisor reserves the right to change the Accounting Period upon notice to Franchisee.

“Agreement” refers to and means this agreement, attachments, addenda and all instruments in amendment hereof.

“Affiliate” refers to and means any person or entity that controls, is controlled by, or is in common control with Franchisor.

“Ancillary Agreements” refers to and means, individually and collectively, each and every agreement between: (a) Franchisee and Franchisor but, not including this Agreement; (b) Franchisor and each of Franchisee's Owners, whether individually and/or collectively; and (c) Franchisee and designated suppliers/vendors.

“Approved Location” refers to and means the fixed location from which the Franchised Business will be operated as set forth in Schedule 1 of this Agreement.

“Approved Products” refers to and means the services and products that Franchisor authorizes for sale by the Franchised Business including bubble waffles, ice cream, and other services and products which may be changed, modified, reduced or supplemented by Franchisor from time to time in the Operations Manual and that must be offered and sold by the Franchised Business.

“Approved Supplier” refers to vendors, manufacturers and distributors, which may include Franchisor or its affiliates, from whom Franchisee must purchase or lease certain source-restricted products for the development and operation of the Franchised Business.

“Competitive Business” refers to and means any business that offers the same or similar products to a Gordo's Bubble Waffles business or any business that provides the same products that Franchisor offers or may offer in the future or any business that offers dessert items such as bubble waffles, ice



SECTION 4 TRAINING AND OPERATING ASSISTANCE

4.1. TRAINING

Before Franchisee begins operating the Franchised Business, Franchisee and, if Franchisee is a Corporate Entity, the Managing Owner, and the Operations Manager must attend and successfully complete the Franchisor's initial training program to Franchisor's satisfaction. Initial training is included for up to two trainees. Training may be held virtually, in Milwaukee, Wisconsin, or in a location that Franchisor designates. If the Operations Manager's employment with Franchisee is terminated at any time, Franchisee must designate a new Operations Manager who must successfully complete the initial training program within 30 days of being hired subject to Franchisor's availability to conduct such training. Franchisee is responsible to pay \$1,500 (the "**Additional Initial Training Fee**") per trainer/trainee per day and to pay for the fees associated with training new hires or additional trainees to attend the initial training program as well as the costs of airfare, ground transportation, lodging, meals, personal expenses, and the Operations Manager's salary and benefits. Franchisor will conduct additional or refresher training upon request as Franchisor deems necessary and as may be available. Franchisor will charge its then-current Additional Training Fee, which is current \$350 per trainer per day (the "Additional Training Fee"): (a) for newly hired Operations Managers and personnel; (b) if Franchisor requires remedial training as a result of Franchisee's failure to comply with Gordo's Bubble Waffles' brand standards; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that Franchisor makes optional for franchisees. If Franchisor conducts on-site training, Franchisee must also pay for travel, meals, and lodging expenses for Franchisor's trainer(s).

4.2. OPERATING ASSISTANCE

Franchisor will advise Franchisee in its Reasonable Business Judgment and as Franchisor deems necessary, of Franchisor's applicable standards, procedures and System requirements concerning the Franchised Business through email, phone calls, in-person visits subject to availability, and through the Operations Manual. Franchisor will establish, update and communicate the Franchisor's standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that Franchisee may utilize. Franchisee will provide the names and addresses of Approved Suppliers for the Approved Products through the Operations Manual or otherwise in writing. Franchisee acknowledges that the Initial Franchise Fee and Royalty Fees are paid for the license to operate the Franchised Business, which includes the Marks, the System and Franchisor's Confidential Information. Prior to opening the Franchised Business, and in addition to the initial training program described in Section 4.1, Franchisor will (a) provide Franchisee with a list of Approved Suppliers for equipment, inventory, equipment, supplies, uniforms, marketing materials and branded items that Franchisee will need either in the Operations Manual or otherwise in writing; (b) identify the Designated Territory; (c) identify the Franchised Business on the System Website; (d) provide Franchisee with access to the Operations Manual; (e) provide Franchisee with marketing collateral; and (f) provide marketing assistance as Franchisor deems necessary.

If Franchisee believes Franchisor has failed to adequately provide pre-opening guidance, coaching and assistance to Franchisee as provided in this Agreement, Franchisee must notify Franchisor in writing within 30 days following the opening of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening guidance, coaching and assistance required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment and that Franchisee did not require any additional guidance,



coaching or assistance. Franchisee shall operate the Franchised Business strictly in accordance with the required specifications and standards identified in the Operations Manual. Failure to comply with the required standards set forth in the Operations Manual shall constitute a material breach of this Agreement subject to the requirements of Section 4.3. After opening the Franchised Business, Franchisor may (a) upon request, provide additional on-site or virtual training at Franchisor's then-current Additional Training Fee plus travel expenses, meals and accommodation expenses incurred by Franchisor and its trainers; (b) provide updated information as to the standards, procedures and System requirements; (c) provide ongoing training to newly hired Operations Managers or remedial training if the Franchisee is underperforming in Franchisor's discretion at Franchisor's then-current Additional Training Fee or Initial Training Fee, as applicable; (d) establish, update and communicate standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that Franchisee may utilize; (e) host periodic conventions and meetings which may include training content; and (f) administer and manage the Brand Marketing Fund.

4.3. OPERATIONS MANUAL

The Operations Manual contains mandatory and as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Gordo's Bubble Waffles businesses in its Reasonable Business Judgment. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as they may be supplemented, modified, changed, and/or replaced in the future by Franchisor in its Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and shall keep and maintain all files, data and information contained in the Operations Manual in a secure location. Franchisor may make modifications and changes to the Operations Manual in its discretion. Some of the revisions to the Operations Manual may include changes with respect to: (a) sales and marketing strategies; (b) equipment and supplies; (c) accounting and reporting systems and forms; (d) insurance requirements; (e) operating procedures; (f) required technology; (g) Approved Products; (h) hours of operation; and (i) trade dress, décor and the usage of Marks. Franchisee covenants to accept, implement and adopt any such modifications at its own cost.

SECTION 5 FEES

5.1. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor an initial franchise fee in the amount of \$35,000 (the "**Initial Franchise Fee**"). The Initial Franchise Fee is fully earned by Franchisee when paid upon execution of this Agreement and is not refundable.

5.2. ROYALTY FEE

Throughout the Initial Term of this Agreement, Franchisee shall pay to Franchisor a continuing non-refundable royalty fee (the "**Royalty Fee**") in an amount 6% of Franchisee's weekly Gross Sales.

5.3. ROYALTY FEE DUE DATE

The Royalty Fee is due on Tuesday of each week for the prior week's Gross Sales (the "**Due Date**"). On the Due Date, Franchisee shall report, transmit, confirm, and/or otherwise make available a report containing information relating to the Gross Sales, financial performance, and operations of the Franchised Business for the prior week (the "**Royalty and Activity Report**") as may be requested by Franchisor. Franchisor shall have the right to verify Franchisee's Royalty Fee payments from time to



time, as Franchisor deems necessary in any commercially reasonable manner. Franchisee shall execute Franchisor's designated ACH Authorization Form attached to this Agreement as Schedule 9 and such other authorization agreements permitting Franchisor's direct withdrawal and/or electronic transfer directly from Franchisee's designated business bank account, for the on-going payment of Royalty Fees, and other fees and sums due to Franchisor under this Agreement. Franchisor may change the payment terms and Due Date in its discretion.

5.4. TECHNOLOGY FEE

Upon request, Franchisee must pay Franchisor or its designee the then-current technology fee as described in the Operations Manual (the "**Technology Fee**") for access to Franchisor's designated technology package, including certain software license, that Franchisor may authorize for its System in the future. Franchisee must pay Franchisor or its designated third-party supplier all initial software license fees for any software Franchisee is required to use in the operation of its Franchised Business as prescribed by Franchisor. Franchisor may change the Technology Fee at any time upon 30 days' written notice to Franchisee.

5.5. NON-COMPLIANCE FEES AND CHARGES

Franchisee shall pay Franchisor a non-compliance fee in the amount of \$100 per day of non-compliance (the "**Non-Compliance Fee**") for each and every instance where a fee, charge, and/or financial obligation payable to Franchisor under this Agreement is not paid in full when due plus interest at a rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law plus all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney's fees, costs, and expenses. The Non-Compliance Fee shall also be applicable to any operational default and System requirement set forth in this Agreement and the Operations Manual. Nothing contained in this Section 5.5 shall be interpreted as interfering with or negating Franchisor's rights and remedies in Section 16 and as otherwise set forth in this Agreement. All of Franchisor's rights and remedies are cumulative and shall be interpreted as cumulative to one another.

5.6. WITHHOLDING AND APPLICATION OF PAYMENTS

Franchisor agrees that, under no circumstance, is Franchisee entitled to withhold payments due to Franchisor under this Agreement or payments due to Franchisor's affiliates, Approved Supplier, or landlord. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor's obligations shall not permit and/or entitle Franchisee to withhold payments due to the Franchisor under this Agreement. Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness for Royalty Fees, Brand Marketing Fund Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

5.7. INSUFFICIENT FUNDS AND LATE FEE

If Franchisee remits the Royalty Fees or any other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds more than one time in any calendar year, in addition to all other remedies which may be available, Franchisor shall have the right to require that Royalty Fees payments and any other sums due to Franchisor under this Agreement be made by certified or cashier's checks (or other secure payment method). To encourage prompt delivery of all Business Records (defined in Section 12.3 below), Certificates of Insurance, Royalty and Activity Reports, and any other documentation or record that may be requested by Franchisor under this Agreement,



7.11. TRUTH IN ADVERTISING

Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and conforms to the highest standards of ethical advertising. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Gordo's Bubble Waffles businesses, and the Marks.

7.12. ANTI-TERRORISM LAWS

Franchisee and Owners agree to comply with, and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war ("**Anti-Terrorism Laws**"). If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

7.13. MANAGEMENT OF FRANCHISED BUSINESS

Franchisee understands and agrees that its active, continuing and substantial personal involvement and hands-on supervision of the Franchised Business and, if Franchisee is a Corporate Entity, its Managing Owner is critical to the success of the Franchised Business. At all times, the Franchised Business must be under the active, continuing and substantial personal involvement and hands-on supervision of Franchisee or, if Franchisee is a Corporate Entity, its Managing Owner. Franchisee may hire an Operations Manager to oversee the day-to-day operation of the Franchised Business.

7.14. MANAGEMENT SERVICE FEE

Upon death or disability of Franchisee or, if Franchisee is a Corporate Entity, the Managing Owner or upon default or abandonment of the Franchised Business, Franchisor has the right to charge 10% of Gross Sales for management services (the "**Management Service Fee**"). Any determination as to whether Franchisor may elect to provide management services, if any, and the extent of such services, and/or the discontinuation thereof, shall be exclusively determined by Franchisor in its Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by Franchisor and may be directly debited from Gross Sales.

7.15. ALTERNATIVE SUPPLIERS

If Franchisee would like to use any products in establishing and operating the Franchised Business that Franchisor has not approved (for products that must meet Franchisor's standards, specifications or that require supplier approval), Franchisee must first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether products comply with Franchisor's standards and specifications or the supplier meets the Franchisor's then-current Approved Supplier criteria. Franchisee must pay Franchisor's expenses to evaluate products, or suppliers regardless of whether Franchisor provides approval or not. The range for this fee will be \$100 to \$1,000 depending on your request. Franchisor will decide within a reasonable time after receiving the required information (usually 30 days) whether Franchisee may purchase or lease the products from the supplier.

7.16. REBATES

Franchisee acknowledges and agrees that Franchisor and its affiliates have the right to collect rebates and other consideration from third party suppliers and vendors as a result of Franchisee's purchases of any products, inventory, supplies, suppliers and equipment used in the Franchised Business and



9.12. TELEPHONE RESTRICTIONS

Franchisor has the right to require Franchisee to use one or more designated telephone vendors. Franchisor may designate, and own, the telephone numbers for the Franchised Business. Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Social and Digital Media Accounts attached to this Agreement as Schedule 8. Upon Franchisor's request, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Social and Digital Media agreement including after termination or expiration of this Agreement. As between Franchisor and all third parties, Franchisee represents and acknowledges that such third party is authorized to rely on the Assignment of Telephone Numbers and Social and Digital Media agreement, irrespective of any dispute and/or controversy between Franchisee and Franchisor.

9.13. ADVERTISING COOPERATIVE

Franchisor possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "**Advertising Cooperative**"). Franchisee acknowledges that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more franchisees are located as a region for the purpose of establishing an Advertising Cooperative.

9.14. PROMOTIONS, PRIZE CONTESTS AND SPECIAL OFFERS

Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature which are prescribed from time to time by Franchisor. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, gift certificates, gift cards or other authorized promotional offers of Franchisor at Franchisee's sole cost unless otherwise specified in writing by Franchisor. The cost for such participation will be applied to Franchisee's local advertising requirements. While we do not have online ordering or customer rewards at this time, we reserve the right to implement them in our System through notice to you. Once implemented, you must use our designated supplier and vendor for the ability to access and use online, point of sale system integrated, web based, and/or app based, ordering, and customer rewards.

9.15. GRAND OPENING MARKETING REQUIREMENTS

Franchisee must spend at least \$5,000 and up to \$8,000 on the grand opening marketing campaign which commences approximately 30 days before opening the Franchised Business.

SECTION 10 RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.1. RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE

Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor, and no training or supervision given by, or assistance from, Franchisor shall be deemed to negate such independence. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the Franchised Business being conducted



19.1. NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; two business days after being sent via guaranteed overnight delivery by a commercial courier service; or five business days after being sent by Registered Mail, return receipt requested. Either party may change their address by a written notice sent in accordance with this Section 19.1. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address: Omar Daher, Chief Executive Officer and Co-Founder, Gordo's Bubble Waffles Franchise LLC, 2301 South Howell Ave., Milwaukee, Wisconsin 53207, or at such other address as Franchisor may provide. All notices to Franchisee shall be sent to the address set forth on Page 1 of this Agreement.

19.2. COVENANTS, REPRESENTATIONS AND WARRANTIES OF FRANCHISEE

Franchisee covenants, represents, warrants, and acknowledges that Franchisor is relying upon the following covenants, representations and warranties in making its decision to enter into this Agreement:

~~(a) Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement and the corresponding Franchise Disclosure Document, and all related agreements with Franchisor. Franchisee has received Franchisor's current Franchise Disclosure Document at least 14 calendar days prior to signing this Agreement or making a payment to Franchisor in connection with the franchise sale. Franchisee acknowledges that Franchisor has advised Franchisee to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Franchised Business, Franchisor and this Agreement. Initial: []~~

~~(b)~~

(a) Franchisee has or has made firm arrangements to acquire funds to commence, open and operate the Franchised Business, and Franchisee is financially and otherwise able to accept the risks attendant upon entering into his Agreement. Initial: []

~~(b)~~ Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, appearance, and service and the necessity of operating the Franchised Business under this Agreement in conformity with Franchisor's System standards and specifications. Initial: []

~~(d) Franchisee had the opportunity to ask Franchisor and its employees, agents, or representatives all appropriate questions and those questions have been answered to Franchisee's satisfaction, and, if Franchisee did not use an advisor or lawyer, Franchisee was satisfied relying on Franchisee's own education, experience, and skill to evaluate the Franchise Disclosure Document and this Agreement. Initial: []~~

~~(c)~~ Franchisee has reached the age of majority, has the legal capacity to enter into this Agreement, is not violating any other agreement by entering into or performing under



this Agreement, and is not listed or “blocked” in connection with, and is not in violation of any anti-terrorism law, regulation, or executive order. **Initial:** []

- ~~(f) No employee, agent or representative of Franchisor made any oral, written or visual representation or projection to Franchisee of actual or potential sales, earnings or net or gross profits, costs involved in operating a Franchised Business, or the likelihood of success that is not in the Franchise Disclosure Document or that is contrary to, or different from, the information in the Franchise Disclosure Document. **Initial:** []~~
- ~~(g) Franchisee understands the risks of owning the Franchised Business and understands that the success of the Franchised Business will depend primarily on Franchisee’s own efforts and abilities and those of Franchisee’s employees and that that other factors beyond Franchisee’s or Franchisor’s control will affect the Franchised Business’s success including competition, economic and market conditions, government policies, labor costs, supply chain delays, supply price fluctuations, inflation, and other factors which may be difficult to anticipate, assess or even identify. **Initial:** []~~
- ~~(h) Franchisee has conducted an independent investigation of this franchise opportunity and, without waiving any rights or disclaiming any disclosures in the Franchise Disclosure Document, Franchisee is agreeable to proceed with this franchise under the terms and conditions of this Agreement. **Initial:** []~~

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

**GORDO’S BUBBLE WAFFLES
FRANCHISE LLC**

FRANCHISEE:

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. Section 5.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business. The Illinois Attorney General Office has imposed this deferral requirement due to Franchisor's financial condition.
6. 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~~franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

**GORDO'S BUBBLE WAFFLES
FRANCHISE LLC**

By: _____

By: _____

Date: _____

Date: _____



**MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

5. Termination upon bankruptcy of the franchisee may not be enforceable under 11 U.S.C. Section 101 *et. seq.*

6. Section 5.1 of the Franchise Agreement is amended to include the following: “Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

6.7. 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.

FRANCHISEE:

**GORDO’S BUBBLE WAFFLES
FRANCHISE LLC**

By: _____

By: _____

Date: _____

Date: _____



MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Section 5.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.



**SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

2. Section 5.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

FRANCHISEE:

**GORDO'S BUBBLE WAFFLES
FRANCHISE LLC**

By: _____

By: _____

Date: _____

Date: _____



any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

17. SEVERABILITY AND CONSTRUCTION

17.1. Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2. If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3. Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4. All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6. This Agreement may be executed in multiple copies, each of which shall be deemed an original.

18. ENTIRE AGREEMENT; APPLICABLE LAW

18.1. This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; ~~provided, however, that nothing.~~ ~~Nothing~~ in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document ~~that was furnished to you by us.~~ No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2. This Agreement takes effect upon its acceptance and execution by us. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this Agreement and the relationship created hereby are governed by Wisconsin law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee,



Development Area in accordance with the Development Schedule, to operate such Unit pursuant to the terms of the Franchise Agreements and to maintain all such Units in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Development Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a “Force Majeure”, which for purposes of this Agreement shall be defined as fire, flood, acts of God, global pandemic, government shutdown, earthquake or other natural disasters, or acts of a public enemy, war, act of terrorism, rebellion or sabotage. Force Majeure shall not include your lack of financing.

21. ACKNOWLEDGMENTS

21.1. You acknowledge and agree that we shall have the right to operate the System as we determine is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective franchisee), determining the terms of any agreement that we will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including franchisees), and all other matters whatsoever pertaining to the System. You understand that you shall not have any right whatsoever to enforce or to require us to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

~~21.2. You acknowledge that you have conducted an independent investigation of this opportunity and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of you as an independent businessperson or business. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, orally or in writing, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.~~

~~21.3. You acknowledge that you have read and understood this Agreement, the documents referred to in this Agreement and agreements relating thereto, if any; and that we have accorded you ample time and opportunity to consult with advisors and/or attorneys of your own choosing about the potential benefits and risks of entering into this Agreement.~~

~~21.4.~~ 21.2. You acknowledge and agree that we have in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this Agreement.

~~21.5. You acknowledge that you received the Disclosure Document required by the Federal Trade Commission Franchise Rule at least 14 calendar days prior to the date on which this Agreement was executed or any consideration was paid to us.~~

~~21.6~~21.3. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict



such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

~~21.7. You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.~~

~~21.8. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.~~

~~21.9~~ 21.4. All terms that are undefined herein shall have the meaning set forth in the Franchise Agreement signed in conjunction herewith.

~~21.405~~. Developer and its Owners shall execute the Certification and Guaranty set forth in Attachment B and Attachment C hereto.

22. EFFECTIVE DATE

22.1 This Agreement shall be effective as of the date it is executed by us.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

**GORDO'S BUBBLE WAFFLES
FRANCHISE LLC**

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER:

By: _____

Name: _____

Title: _____

Date: _____



ILLINOIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

~~1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.~~

~~2.1.~~ The Multi-Unit Development Agreement is governed by Illinois law.

~~3.2.~~ In conformance with Section 4 of the Illinois Act, any provision in the Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.

~~4.3.~~ Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Act.

~~5.4.~~ In conformance with Section 41 of the Illinois Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Act or any other law of Illinois is void.

~~6.5.~~ Section 2 of the Multi-Unit Development Agreement shall be amended to state that the Development Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business. The Illinois Attorney General Office has imposed this deferral requirement due to Franchisor’s financial condition.

~~7.6.~~ 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 with the franchise.

~~8.7.~~ This Addendum is effective as of the Effective Date.

DEVELOPER:

**GORDO’S BUBBLE WAFFLES
FRANCHISE LLC**

By: _____

By: _____

Date: _____

Date: _____



MARYLAND ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
2. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.
3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.
5. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.
6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
7. Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.
- 7.8. 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



MINNESOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.
2. **Amendments.** The Agreement is amended to comply with the following:
 - Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
 - With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
 - The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
 - Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
 - The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
 - The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”
3. **Effective Date.** This Rider is effective as of the Effective Date.
4. Section 2 of the Multi-Unit Development Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-



opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

4.5. 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 with the franchise.

DEVELOPER:

**GORDO'S BUBBLE WAFFLES
FRANCHISE LLC**

By: _____

By: _____

Date: _____

Date: _____



GORDO'S BUBBLE WAFFLES FRANCHISE, LLC
BALANCE SHEET
AS OF JUNE 30, 2025

		<i>Assets</i>
Current Assets		
Cash and cash equivalents		\$ <u>9,970</u>
Total Current Assets		<u>9,970</u>
Total Assets		<u>\$ 9,970</u>
<hr/>		
		<i>Liabilities and Members' Equity</i>
Current Liabilities		
Accounts payable		\$ -
Total Current Liabilities		<u>-</u>
Members' Equity		
Members' equity		<u>9,970</u>
Total Members' Equity		<u>9,970</u>
Total Liabilities and Members' Equity		<u>\$ 9,970</u>

GORDO’S BUBBLE WAFFLES FRANCHISE, LLC

**STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30,
2025**

Revenue	
Initial franchise fees	\$ -
Franchise royalty fees	-
	<hr/>
Total Revenue	-
	<hr/>
Operating Expenses:	
Advertising	-
Bank fees	-
	<hr/>
Total Operating Expenses	-
	<hr/>
	<hr/>
	<u>\$ -</u>
Income From Operations	-

Net Income

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.

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

~~1. _____~~

~~1. _____ Item 17.w. is modified to provide that Illinois law applies.~~

~~2.~~ In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~3.2.~~ In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

~~3. _____ The conditions under which your Franchise Agreement can be terminated and your~~ Your rights upon ~~nonrenewal may be affected by Sections Termination and Non-Renewal of an agreement are set forth in Section~~ 19 and 20 of the Illinois Franchise Disclosure Act.

~~4.~~

~~5.4.~~ Item 5 and Item 7 of the Disclosure Document shall be amended to state that the Initial Franchise Fees/Development Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations of its Franchised Business. The Illinois Attorney General Office has imposed this deferral requirement due to Franchisor's financial condition.

~~5. _____ If you fail or refuse to initiate within 30 days after our request to bring your premises up to our standards, and/or fails to continue in good faith and with due diligence, any required improvement, modification, refurbishment, renovation, and/or remodel of the Franchised Business premises, then we have the right but are not obligated, to enter upon the Franchised Business premises and effect such improvement, modification, refurbishment, renovation, and/or remodel on your behalf, and you must pay the entire cost to us on demand plus 10% of the cost.~~

~~6. _____~~ 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 ~~behalf of the Franchisor. 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.

~~6.~~



MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, “A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

4. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

5. Item 5 of the Disclosure Document is amended to include the following: “Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

~~5.6.~~ 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.



MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a Franchisee to assent to a general release.
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
- The Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5

Item 5 of the Disclosure Document is amended to include the following: "The Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business."

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 with the franchise.



EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	June 10, 2025
Maryland	
Michigan	<u>June 9, 2025</u>
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	June 10, 2025

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.

