

## FRANCHISE DISCLOSURE DOCUMENT

### Atomium, Inc.

a Vermont corporation  
18 Night Pasture Lane  
South Chittenden, Vermont 05701  
(802)775-0058  
www.wafflecabin.com  
franchising@wafflecabin.com



The franchise is for a restaurant or mobile trailer offering quick-serve Belgian sugar waffles and beverages such as coffee, tea and hot cocoa operating under the name “Waffle Cabin” using the franchisor’s proprietary recipes, formulae, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a Waffle Cabin restaurant is \$93,450 to \$225,700. This includes from ~~\$50,700~~36,588 to ~~\$62,200~~56,298 that must be paid to the franchisor and/or its affiliate. The total investment necessary to begin operation of a Waffle Cabin trailer/truck is \$90,250 to \$188,100. This includes ~~\$50,700~~36,588 to ~~\$62,200~~56,298 that must be paid to the franchisor and/or its affiliate.

The total investment necessary to begin operation of a Waffle Cabin multi-unit operator business ranges from ~~\$107,101~~101,200 to \$239,950 for three Waffle Cabin businesses to be developed. This includes from ~~\$62,450~~37,838 to ~~\$73,950~~53,048 that must be paid to the franchisor and/or its affiliate. The minimum number of outlets required to be opened under a Waffle Cabin multi-unit operator business is three.

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 the 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 format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jason Palmer at 18 Night Pasture Lane, South Chittenden, Vermont, 05701, and (802)775-0058.

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

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

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

Issuance Date: May 28, 2024

## How to Use this Franchise Disclosure Document

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

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

## 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 and multi-unit operator agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Vermont. Out-of-state 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 Vermont than in your own state.
- 2) **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
- 3) **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business

Certain states may require other risks to be highlighted. If so, check the "Multi-State Addendum" (if any) to see whether your state requires other risks to be highlighted.

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**EXHIBITS**

- A – Financial Statements
- B – Franchise Agreement
- C – Multi-Unit Operator Agreement
- D – List of Franchisees and Franchisees Who Have Left the System
- E – Table of Contents of Confidential Operations Manual
- F – State Specific Addenda
- G – List of State Administrators/Agents for Service of Process
- H – Form of General Release
- I – Franchisee Acknowledgment Statement

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

**The Franchisor**

Atomium, Inc. (referred to in this Disclosure Document as “Waffle Cabin”, “we”, “us”, or “our”) was formed as a Vermont corporation on August 17, 2012. Our principal place of business is 18 Night Pasture Lane, South Chittenden, Vermont, 05701, and we do business under our corporate name and the Marks as described below. In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as “franchisee”, “you”, or “your” which includes all franchise owners and partners, if you are a corporation, partnership or other entity.

We do not own or operate any businesses of the type being franchised. We have not offered franchises in any other line of business and we do not engage in any other business activity. We began offering franchises in November 2012.

Our agents for service of process are listed in Exhibit G.

**Our Parents, Predecessors and Affiliates**

We have no parent or predecessor. We have an affiliated company, Leo’s Inc., a Massachusetts corporation, which is headquartered at 20 Moonbrook Drive, Rutland, Vermont, 05701 (“Affiliate”). Our Affiliate owns the proprietary marks which it has licensed to us so that we may sublicense them to our franchisees, as described in Item 13, and our Affiliate is an approved supplier for certain proprietary and non-proprietary products. Our Affiliate has never offered franchises in this or any other line of business.

We have operated, through our affiliates beginning in 1998, Waffle Cabin businesses similar to the franchise offered by this Disclosure Document. Our affiliates currently own and operate 13 Waffle Cabins, mostly at ski resorts, in Vermont, New York, and Massachusetts.

**Description of Franchise**

We offer franchises for the right to establish and operate a restaurant or food trailer/truck offering quick-serve Belgian sugar waffles and beverages such as coffee, tea and hot cocoa (“Restaurant” or “Trailer/Truck” or “Franchised Business”). The Franchised Businesses operate under the trade name and mark “Waffle Cabin” and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the “Marks” or “Proprietary Marks”.

Waffle Cabin outlets are operated under the Marks and the System in accordance with the terms of the Franchise Agreement. Waffle Cabin Restaurants are typically 12 foot by 12, 14 or 16-foot cabins or kiosks located primarily at ski resorts, malls, stadiums, transportation centers, airports, amusement parks, theme parks and similar locations. You must purchase the cabin/kiosk that we specify and which is shipped as a single unit to your location and it must be installed according to our specifications and applicable laws and building codes, unless an existing structure is present and approved by Waffle Cabin for use following the appropriate and approved modifications. Each Restaurant will offer take out and catering services. Waffle Cabin Trailer/Truck typically operate in densely populated towns and cities, near parks and other large public outdoor spaces like concert venues.

paper products, and mountain cider. We estimate that the cost of these items will be between \$2,588 and \$2,798. The low end of this range assumes you purchase only the dough balls, logoed paper products, and mountain cider from us, while the high end assumes you are also purchasing your initial inventory of Carat chocolate from us. These amounts do not include the delivery fee for these items. These amounts are not refundable.

**Equipment, Furniture and Fixtures:** Before your Franchised Business opens for business, you must purchase your equipment, furniture and fixtures, this includes chest freezer, proofer, hot cocoa machine, coffee machine and urn, chocolate melter, waffle irons and assorted small wares. You may purchase your waffle irons from any approved supplier, or you may purchase them from us. If you choose to purchase from us, you must pay us a 50% deposit of \$10,500 to \$15,000 for equipment upon signing the Franchise Agreement, the balance will be due upon delivery.

**Delayed Opening Fee:** Your Franchised Business must be opened and operating within eight months after you sign the Franchise Agreement. If your Franchised Business is not opened within this eight-month period, except for circumstances beyond your control, such as delays in obtaining permits, weather delays and delays in delivery and/or installation of equipment and furnishings, you must pay us a delayed opening fee equal to \$2,500 per month for up to six additional months to have the Franchised Business opened. If your Franchised Business is not open and operating within this additional six-month period, we have the right to terminate your Franchise Agreement or continue to collect the delayed opening fee, to be determined in our discretion. This fee is not refundable. The delayed opening fee does not apply to multi-unit operators.

**Multi-Unit Operator Agreement:** We also offer the opportunity to develop and operate a three-pack of any combination of Waffle Cabin Restaurants and Trailer/Truck under our Multi-Unit Operator Agreement. If you sign a Multi-Unit Operator Agreement with us, you will pay to us a development fee equal to 100% of the initial franchise fee for the first Franchised Business to be developed, plus 50% of the reduced initial franchise fee for each of the next two Franchised Businesses to be developed under the Multi-Unit Operator Agreement. The initial franchise fee for the second and third Franchised Businesses under a Multi-Unit Operator Agreement will be reduced to \$11,750 each. For example, to purchase the three-pack the development fee is calculated as  $\$23,500 + (2 \times \$5,875 = \$11,750) = \$35,250$ . The development fee is paid in a lump sum when you sign the Multi-Unit Operator Agreement, is fully earned by us upon receipt and is not refundable under any circumstances.

We expect that you will sign the Franchise Agreement for your first Franchised Business at the same time you sign the Multi-Unit Operator Agreement, and we will apply a portion of the development fee to pay the initial franchise fee for the first Franchised Business in full. For the second and third Franchised Businesses you will develop as a multi-unit operator, we will apply a portion of the development fee toward the initial franchise fee due for those Franchised Businesses and the balance of the reduced initial franchise fee, or \$5,875, is payable in a lump sum within 30 days of opening each Franchised Business for business.

The development fee is imposed uniformly on all multi-unit operators and is not refundable under any circumstances. Only multi-unit operators who have signed a Multi-Unit Operator Agreement with us are eligible for the reduced initial franchise fee for the second and third units.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Franchised Business opens for business.

## **ITEM 6** **OTHER FEES**

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Grand Opening Advertising <sup>(11)</sup>	\$0	See Note 11	See Note 11	See Note 11
Licenses and Permits <sup>(12)</sup>	\$250 to \$1,000	As Incurred	As Incurred	Government Agencies
Professional Fees <sup>(43)</sup>	\$1,000 to \$5,000	As Incurred	As Incurred	Accountant; Attorney
Additional Funds – 3 Months <sup>(44)(3)</sup>	\$10,000 to \$17,500	As Incurred	As Incurred	Suppliers
<b>Total</b>	<b>\$90,250 to \$188,100</b>			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. All of our estimates assume that you will purchase the required items.

**Notes:**

1. **Initial Franchise Fee; Delayed Opening Fee.** These fees are discussed in Item 5.

2. **Leasehold Improvements/Trailer/Truck.** The cost of leasehold improvements will vary depending on numerous factors, including: (a) the size and configuration of the premises; (b) pre-construction costs; and (c) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Restaurant or Trailer/Truck. These figures are our principals’ best estimate based on constructing cabins at ski resorts in the New England areas. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. Waffle Cabin Restaurants are 12 foot by 12, 14, or 16-foot cabins located primarily at ski resorts, but also at malls, stadiums, transportation centers, airports, amusement parks, theme parks and similar locations. You must purchase or lease the cabin we specify for your Franchised Business, the cost of which is estimated to be between \$25,000 and \$40,000 for a slope-side cabin, between \$30,000 and \$80,000 for a kiosk, or between \$30,000 and \$100,000 for a brick-and-mortar store. Your cabin will be shipped as a single unit to your location. The cabin must then be installed and built-out according to our specifications and applicable laws and building codes unless an existing structure is present and approved by Waffle Cabin for use following the appropriate and approved modifications. If an existing structure is present your costs may be lower. Our estimate does not include any tenant improvement allowance that you may negotiate.

You will purchase or finance your vehicle through an approved supplier. These estimates include the cost of the vehicle, the vehicle wrap, and the labor costs to customize the trailer.

3. **Lease Payments.** The figures are for the initial phase of the business for rent, and our estimates assume that you will lease space for your Restaurant. The nature of this franchise does not require the purchase of real property, so our estimates do not include this. Your Restaurant must be in the cabin that we designate, and rent is generally charged as a percentage of sales from your Restaurant. In addition to base rent, your lease may require you to pay common area maintenance charges (“CAM Charges”) for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The

11. **Grand Opening Advertising.** We recommend, but do not require, that you conduct a grand opening advertising campaign to promote the opening of your Franchised Business. If you choose to conduct a grand opening campaign, it must be approved by us before you can begin it.

12. **Licenses and Permits.** These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

~~13. **Professional Fees.** We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering.~~

~~14. **Additional Funds.** We relied on our Affiliate’s experience in operating Waffle Cabin Restaurants at ski resorts since 1998 when estimating this range. You will need capital to support ongoing expenses, such as payroll, restocking of inventory, utilities (including internet access), gas (if you operate a Trailer/Truck), bank fees, vendor fees (including ServSafe certification fees), royalty fees, and brand development fees if these costs are not covered by sales revenue for your first three months of operation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.~~

These amounts do not include any estimates for debt service. These are only estimates, and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations.

\* \* \* \* \*

**YOUR ESTIMATED INITIAL INVESTMENT  
MULTI-UNIT OPERATOR – THREE-PACK OF FRANCHISED BUSINESSES**

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Development Fee <sup>(1)</sup>	\$35,250	Lump Sum	On signing Multi-Unit Operator Agreement	Us
Vehicle – 3 Months <sup>(2)</sup>	\$2,000 to \$2,500	As Arranged	As Incurred	Suppliers
Other Expenditures for First Franchised Business <sup>(3)</sup>	\$63,950 to \$202,200	See First Table	See First Table	See First Table
<b>Total</b>	<del>\$100,600</del> <b>\$101,200 to \$239,950</b>			

In general, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

must be obtained from a responsible, duly licensed carrier or carriers acceptable to us. All insurance must be on an “occurrence” basis. Currently you must maintain the following insurance: (a) general liability insurance with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; (b) worker’s compensation with limits required by applicable state law, but not less than \$500,000; (c) any insurance required by the terms of your lease for the Restaurant; and (d) any other insurance we may require in the future.

All insurance policies, except for workers’ compensation, must name us and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds. Also, all insurance policies required hereunder shall expressly provide that not less than 30 days’ prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance on your behalf and you must reimburse our costs related to this purchase plus an administrative fee (see Item 6).

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

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

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement and MUOA means the Multi-Unit Operator Agreement.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA: Section 2 MUOA: Section 3	Items 8 and 11
b. Pre-opening purchases/leases	FA: Sections 6, 7 and 8	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Section 2	Items 1, 8 and 11
d. Initial and ongoing training	FA: Section 6	Items 5, 6 and 11
e. Opening	FA: Section 6	Items 5, 6 and 11
f. Fees	FA: Sections 4 and 8 MUOA: Sections 2 and 3	Items 5, <u>6</u> , and <del>6</del> <u>7</u>
g. Compliance with standards and policies/Operating Manual	FA: Sections 2, 3, 6, 8, 9, 10, 11 and 12	Items 11 and 14
h. Trademarks and proprietary information	FA: Sections 9 and 10 and Attachment 4 MUOA: Section 7	Items 11, 13 and 14

factors, to complete the interior and exterior of the cabin, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing inventory and supplies. You must open the Franchised Business and begin business within eight months of signing the Franchise Agreement. If you are unable to open the Franchised Business within this timeframe, we may charge you a delayed opening fee of \$2,500 per month for up to six additional months. If your Restaurant has not opened within this additional six-month period, we have the right to terminate your Franchise Agreement or, in our discretion, we may extend the period of time for you to open and you must continue paying the delayed opening fee.

**Training:** No later than 30 days before the Franchised Business opens, up to four people (up to three Principals and your General Manager) must have completed, to our satisfaction, our initial training program. Our initial training program is included in the initial franchise fee, there is no additional cost to the franchisee. We will conduct this training at ~~our corporate headquarters, at one of our Affiliate's outlets in Rutland, Vermont, or at another~~ the location we designate of the franchisee. Our initial training program lasts for approximately three days.- Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Franchised Businesses being opened and the timing of the scheduled openings of Franchised Businesses.

We may approve you to train replacement General Managers under our training program before permitting you to train your entire staff for a third or later Franchised Business opening. You may not train any personnel until we have approved you as a trainer.

If, during the term of your Franchise Agreement, you request that we provide additional training or assistance on-site at your Franchised Business, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals.

The instructional materials used in the initial training include our Operations Manual and any other materials that we believe will be beneficial to our franchisees in the training process. Classroom training and on-the-job training can be combined or occur at the same time and designated location :

The training schedule and activities of the initial training program are described below:

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Register Training	1.5 hr.	.5-1 hr.	Waffle Cabin site or Rutland, VT
Opening procedures	1 hr.	1 hr.	Waffle Cabin site or Rutland, VT
Dough Handling	4 hr.	1-1.5hr.	Waffle Cabin site or Rutland, VT
Waffle handling	2 hr.	1-1.5 hr.	Waffle Cabin site or Rutland, VT

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Beverage machine ops	1 hr.	.5 hr.	Waffle Cabin site or Rutland, VT
Cleaning procedures	1 hr.	1 hr.	Waffle Cabin site or Rutland, VT
Cash out	1 hr.	1 hr.	Waffle Cabin Site or Rutland, VT
Paperwork Inventory	1 hr.	.5 hr.	Waffle Cabin site or Rutland, VT
Warewashing in kitchen	0	.5 hr.	Resort kitchen
Closing procedures	0	.5 hr.	Waffle Cabin Site

**ADDITIONAL TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
POS Training	0	1 hr.	Waffle Cabin site or Rutland, VT
Your relation with a Ski Resort	0	.5 hr.	Waffle Cabin site or Rutland, VT
Franchise performance reporting	0	1 hr.	Waffle Cabin site or Rutland, VT
Cabin Cleanliness	0	1-1.5 hr.	Waffle Cabin Site

The instructors primarily conducting our initial and additional training program include Peter Creyf, Richard Orellana, and Jason Palmer. Each of our instructors has at least five to seven years of relevant experience to the subjects they are teaching. Peter Creyf has 22 years’ experience with our Affiliate and eight years’ experience with us. Richard Orellana has been with our Affiliate for over seven years and has conducted training programs over that entire span. Jason Palmer started in the restaurant business in 1998 and has over 15 years senior level experience operating Food and Beverage in some of the biggest resorts in the Northeast. Additionally, Jason has restaurant ownership experience as well as sales and marketing experience.

The initial and additional training programs are subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained.

We do not anticipate holding periodic refresher training programs or meetings of franchisees.

In addition to our initial training program, you, your managers and any other personnel we designate must be ServSafe certified or other similar certifications. The cost of the certification is not included in the initial franchise fee and we do not provide this certification. You may need to receive periodic additional training and/or certification.

**Confidential Operations Manual:** The Table of Contents for our Manual is attached to this Disclosure Document as Exhibit E. Our Manual contains approximately 222 pages.

**Computer and Point-of-Sale Systems:** You must purchase or lease and use certain point-of-sale systems and computer hardware and software that meet our specifications and that are capable of electronically interfacing with our computer system. The computer system will provide sales tracking information, inventory management, business reports, labor and scheduling management, order processing and credit card processing.

The computer system is designed to enable us to have immediate and independent access to the sales-based data monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed telecommunication line in accordance with our specifications to permit us to access the computer system (or other computer hardware and software) electronically.

Unless we designate a different system, you must purchase the ShopKeep POS System (iPad 9.7” and iPad stand, credit card reader, printer and cash drawer). The approved supplier for the point-of-sale system, if we designate one, will be included in the Manual. We expect that the ShopKeep POS System will cost between \$1,000 and \$1,500. You are not required to have a separate maintenance contract for your POS System, but you must pay the monthly fees to ShopKeep for the upgrades and updates of the software. Currently these fees range from \$79 to \$179 for the first terminal and an additional \$49 to \$79 for any additional terminals. We may require you to update and/or upgrade all or a portion of your point-of-sale system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point-of-sale system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point-of-sale system.

You must obtain and maintain Internet access or other means of electronic communication, as specified by us. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.

## **ITEM 12** **TERRITORY**

**Franchise Agreement:** Your Franchise Agreement will specify a “Territory”, which typically will be defined as all or a portion of a named town, city, or county and will be identified on a marked map and/or by a list of one or more contiguous zip codes. The Territory will be determined on an individual basis taking into account minimum numbers of households, average home prices, and household incomes. A typical territory for a suburban location is a three-mile radius around the Restaurant address; a typical territory for an urban location is three to five city blocks. If your Restaurant is located at a ~~ski resort~~venue, your Territory will be defined as the address of the ~~ski resort~~venue.

Apart from a ~~ski resort site~~venue, you will not receive an exclusive territory. If your Restaurant is located at a venue, the venue is your exclusive territory and does not include the surrounding areas outside

of the venue. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

Trailer/Truck do not receive a Territory. In both urban and suburban areas, limitations will be placed on where Trailer/Truck are permitted to operate to avoid cannibalization of Restaurant sales. These limitations currently include:

- Trailers are not permitted to operate within four miles in suburban areas and within six city blocks in urban areas of any Restaurant in the System.
- Trailer/Truck franchisees will schedule, through the Waffle Cabin intranet at least one month out, or as soon as the date has been contracted with a location, the days and times for operation for the month. We will grant permission on a first-come first-serve basis.
- We will maintain a special event or festival listing on the Waffle Cabin intranet. The first franchisee to reserve a Trailer/Truck location for each special event or festival will have the exclusive right to operate at that special event or festival. If the festival or special event is located within another franchisee's Territory, then the occupying franchisee retains a right of first refusal ("ROFR") for that festival or special event. If the occupying franchisee chooses not to execute the ROFR, we will grant permission to the franchisee who first reserved the Trailer/Truck location to operate at the special event or festival. Any disputes regarding who will operate at the event will be decided by us.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Restaurant in the Territory. The only exclusions will be limited to those permitted under the Franchise Agreement.

While ski resort territories are exclusive, if you do not exercise the Ski Resort ROFR (described below) to add additional Restaurants at the ski resort, we will have the right to sell additional Restaurants to other prospects at the ski resort, and your Territory will be divided between you and the new franchisee. There are no other circumstances under which the Territory may be altered before your Franchise Agreement expires or is terminated.

You are permitted to provide catering services from your Restaurant. You may not provide catering services to any customer outside of your Territory unless that customer is in an area that has not yet been sold to a franchisee in the System.

If you operate a Restaurant at a ski resort, you are granted a right of first refusal to establish additional franchises at that ski resort ("Ski Resort ROFR"). If we determine that your Territory can support another Waffle Cabin franchise, we will notify you and you will have 30 days to tell us whether you will purchase the additional franchise. If you do not notify us within the 30-day period that you wish to purchase the additional franchise, or if you choose to not purchase the additional franchise, then we have the right to either sell another franchise in the Territory or we may develop a Restaurant in the Territory.

If, during the term of the Franchise Agreement, you wish to relocate your Restaurant, or if the Restaurant is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for the Restaurant. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for Waffle Cabin Restaurants and is located within your Territory, and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement.

As expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Restaurants, the Marks, our proprietary products, and any other products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell our proprietary products, other products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, both within and outside your Territory, and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Restaurants located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Restaurant; and (c) the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in your Territory.

You may sell our proprietary products and menu items to customers who live anywhere but who choose to dine at or from your Franchised Business. You may not engage in any promotional activities or sell the proprietary products or similar products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system (collectively, the “Electronic Media”); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media, television and radio that are targeted to customers and prospective customers located within your Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory. You may not deliver any products to customers located outside of your Territory unless the customer is located in an area where there is no another Waffle Cabin outlet in operation. You may not sell our proprietary products to any business or other customer at wholesale.

We and our affiliates may sell products under the Marks within and outside your Territory through any method of distribution other than a Waffle Cabin outlet, including sales through channels of distribution such as Electronic Media, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Territory and you will not receive any compensation for our sales through alternative distribution channels. We or our Affiliate will fulfill all orders placed through the retail portion of our Website, and you will not be entitled to any portion of the profits received from this, even if the customer’s order is generated from or delivered to an address within your Territory.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned outlets which sell our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

**Multi-Unit Operator Agreement:** Under the Multi-Unit Operator Agreement we grant you the right to develop and operate three Waffle Cabin outlets in the Exclusive ~~Area~~ Territory that is specified in the Minimum Performance Schedule, which is an attachment to the Multi-Unit Operator Agreement. The Exclusive ~~Area~~ Territory is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality. The actual size of the Exclusive ~~Area~~ Territory will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

During the term of the Multi-Unit Operator Agreement, we and our affiliates will not operate or grant a franchise for the operation of Franchised Businesses to be located within the Exclusive ~~Area Territory~~. The only exclusions will be limited to those permitted under the Franchise Agreement and Multi-Unit Operator Agreement. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Operator Agreement and all of the Franchise Agreements signed under it. Your territorial rights to the Exclusive ~~Area Territory~~ may or may not, in our discretion, include the right to develop Restaurants at any non-traditional site or ski resort.

As expressly limited by the Multi-Unit Operator Agreement, we and our affiliates retain all rights with respect to Franchised Businesses, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the Proprietary Products, other products offered at Franchised Businesses and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Exclusive ~~Area Territory~~, and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Franchised Businesses located outside the Exclusive ~~Area Territory~~ under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Businesses; and (c) the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in your Exclusive ~~Area Territory~~.

To maintain your rights under the Multi-Unit Operator Agreement you must have open and in operation the cumulative number of Franchised Businesses stated on the Minimum Performance Schedule by the dates agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Operator Agreement.

In addition, when the last Franchised Business to be developed within the Exclusive ~~Area Territory~~ opens for business, your exclusive rights under the Multi-Unit Operator Agreement with respect to the Exclusive ~~Area Territory~~ will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Franchised Businesses within the Exclusive ~~Area Territory~~. This right will be subject only to the territorial rights under your franchise agreements for Restaurants in the Exclusive ~~Area Territory~~. You are not granted a right of first refusal to develop additional Franchised Businesses, but if you have completed developing outlets in compliance with the Multi-Unit Operator Agreement, we will in good faith negotiate a new Multi-Unit Operator Agreement with you. The Exclusive ~~Area Territory~~ may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. You are not granted any other option, right of first refusal or similar right to acquire additional Franchised Businesses in your Exclusive ~~Area Territory~~ under the Multi-Unit Operator Agreement.

### **ITEM 13** **TRADEMARKS**

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. The Multi-Unit Operator Agreement does not grant to you any right to use the Marks.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

10. ~~1.~~ To grant other licenses for the use of the Marks in addition to those licenses granted or to be granted to franchisees;
2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and
3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

**Patents and Copyrights:** There are no patents or registered copyrights that are material to the franchise.

**Confidential Manuals:** You must operate the Franchised Business in accordance with the standards and procedures specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement. We may, instead of providing you with a hard copy of the Manual, make our Manual available electronically via a password protected intranet.

You must treat the Manual and any other manuals we create or approve for use in your operation of the Franchised Business, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on or at the Franchised Business.

We may revise the contents of the Manual and you must comply with each new or changed standard. You must also insure that the Manual is kept current at all times. If there is a dispute regarding the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

**Confidential Information:** We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, and the terms of your agreement with us, are considered confidential. You and each of your Principals are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business that may be communicated to you or any of your Principals or that you may learn about. You and each of your Principals may divulge this confidential information only to your employees who must have access to it to operate the Franchised Business. Neither you nor your Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. You must

have your General Manager and any of your personnel who have received or will have access to confidential information sign confidentiality covenants.

If you, your Principals, General Manager or employees develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and give us all necessary information, free of charge. You, your Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

**ITEM 15**  
**OBLIGATION TO PARTICIPATE IN THE ACTUAL**  
**OPERATION OF THE FRANCHISED BUSINESS**

When you sign your agreement, you must designate and retain at all times an individual to serve as the General Manager. If you are an individual, we recommend that you be the General Manager. You must be actively involved in the operation of your Franchised Business. If you own and operate multiple Franchised Businesses, you must be actively involved in the oversight of your Franchised Businesses. You must make sure that your Franchised Businesses are being operated according to the terms of your Franchise Agreement and the Manual. The General Manager must satisfy the applicable training requirements in the Franchise Agreement and complete our training program as provided to you in the Manual or other written instructions. He/She must be individually acceptable to us, must be approved by us to act as a General Manager, and must be responsible for the supervision and management of the Franchised Business and devote full time and best efforts to this activity. If the General Manager cannot serve in the position or does not meet the requirements, he or she must be replaced within 60 days after the General Manager stops serving or no longer meets the requirements.

You must also retain other personnel as are needed to operate and manage the Franchised Business. Your General Manager and all other personnel who will have access to our proprietary and confidential information and training must sign our Confidentiality and Non-Competition Agreement which is attached to our Franchise Agreement as Attachment 4. We will be a third-party beneficiary of each agreement with the independent right to enforce the agreement's terms. We have the right, in our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph.

If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty which is attached to our Franchise Agreement as Attachment 7. If your Franchised Business is owned by an entity, we do not require the on-premises supervisor to have equity interest.

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

You must sell or offer for sale all menu items, food products, logoed merchandise such as paper products and memorabilia we require, in the manner and style we require. You must sell and offer for sale only the menu items, products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products, and services offered by you at the Franchised Business at any time, and there are no limits on our right to make those changes.

Provision	Section in Franchise Agreement	Summary
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 14.4	Within 30 days after notice, we have the option to purchase the interest proposed to be transferred on the same terms and conditions offered by the purchaser
o. Franchisor’s option to purchase franchisee’s business	Section 18.11	Upon termination or expiration of the Franchise Agreement, we have the right to purchase certain assets of the Franchised Business
p. Death or disability of franchisee	Section 14.5	The Franchise Agreement will terminate upon your death or permanent disability and the Franchised Business must be transferred within six months to a replacement franchisee that we approve.
q. Non-competition covenants during the term of the franchise	Section 10.3.1	You are prohibited from operating or having an interest in a similar business without our prior written consent. Non-competition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.3.2	You and your Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a similar business within 10 miles of any Franchised Business in the System. Non-competition provisions are subject to state law.
s. Modification of the agreement	Sections 10.1.5 and 19.2	The Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manual as amended
t. Integration/merger clause	Section 19.2	Only the terms of the Franchise Agreement and other related agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Sections 19.7	Arbitration in Vermont, subject to applicable state and federal law
v. Choice of forum	Section 19.8	Rutland County, Vermont, subject to applicable state and federal law (see Exhibit F – State Specific Addenda for exceptions)

Provision	Section in Multi-Unit Operator Agreement	Summary
i. Multi-unit operator's obligations on termination/ non-renewal	10	You must stop selecting sites for Restaurants, and you may not open any more Franchised Businesses
j. Assignment of contract by franchisor	11	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Operator Agreement
k. "Transfer" by multi-unit operator – defined	11	Includes transfer of any interest in the Multi-Unit Operator Agreement
l. Franchisor approval of transfer by multi-unit operator	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Franchised Businesses required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Operators, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations
n. Franchisor's right of first refusal to acquire multi-unit operator's business	11	We have the right to match the offer
o. Franchisor's option to purchase multi-unit operator's business	Not applicable	
p. Death or disability of multi-unit operator	11	Upon the death or permanent disability of a Principal, the interest must be transferred to an approved party within 12 months
q. Non-competition covenants during the term of the franchise	12	You are prohibited from operating or having an interest in a similar business without our prior written consent, except for Franchised Businesses operated under Franchise Agreements with us. Non-competition provisions are subject to state law.
¶R. Non-competition covenants after the franchise is terminated or expires	12	No competing business for two years and within 10 miles of any Franchised Business in the System. Non-competition provisions are subject to state law.
s. Modification of the agreement	18	Multi-Unit Operator Agreement may not be modified unless mutually agreed to in writing

Provision	Section in Multi-Unit Operator Agreement	Summary
t. Integration/merger clause	18	Only the terms of the Multi-Unit Operator Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Multi-Unit Operator Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	19	Arbitration in Vermont, subject to applicable state and federal law
v. Choice of forum	19	Rutland County, Vermont, subject to applicable state and federal law
w. Choice of law	18	Vermont, subject to applicable state and federal law

**ITEM 18  
PUBLIC FIGURES**

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

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following represents the historical performance achieved by the 14 company-owned cabins that were open and operating in the 2023 calendar year.

Location	#	Model	Total Gross Sales	Remark	High	Low	Average	Median
Evergreen Walk, South Windsor, CT	1	B&M	\$18,906	<i>Opened in December 2023 – Pop-up</i>	N.A.			
Holiday Valley, NY	1	Cabin	\$228,683		\$87,567	\$19,206	\$57,171	\$60,955

Killington Resort, VT	4	Cabin	\$590,910		\$63,433	\$513	\$28,139	\$25,934
Mount Snow Resort, VT	2	Cabin	\$502,146		\$117,550	\$89	\$38,627	\$19,071
Okemo Mountain, VT	2	Cabin	\$637,486		\$102,778	\$5,761	\$57,953	\$72,705
Pico Mountain, VT	1	Cabin	\$93,593	<i>Closed on Tuesdays and Wednesdays, except Holidays</i>	\$37,637	\$1,090	\$18,719	\$20,197
Sugarbush Resort, VT	1	Cabin	\$167,064		\$45,521	\$4,338	\$27,844	\$34,719
Wachusett Mountain, MA	1	Cabin	\$332,754	<i>Night skiing available</i>	\$120,928	\$2,223	\$55,459	\$53,459
Windham Mountain, NY	1	Cabin	\$137,424		\$48,373	\$21,397	\$34,356	\$23,256
<b>TOTAL</b>	<b>14</b>		<b>\$2,708,968</b>					

The following represents the historical performance achieved by the 3338 franchisee-owned cabins that were open and operating in the 2023 calendar year. We have excluded the performance for one cabin located in ~~Florida~~ that opened and later ceased operations in 2023.

Franchisee / Location	#	Model	Total Gross Sales	Remark	High	Low	Average	Median
Blue Mountain Ski Resort / Palmerton, PA	2	Cabin	\$91,306	<i>Only sales of waffles and cider - Only winter months</i>	\$32,142	\$10,058	\$22,827	\$24,553
Bodhi, LLC / Snoqualmie, WA	1	B&M	\$48,691	<i>Opened in December 2023 — Only winter months</i>	N.A.			
Bracky, LLC / Holmdel, NJ	1	Mobile	\$22,650	<i>Only catering services -Year round</i>	\$4,200	\$0	\$1,888	\$2,380
Camelback Resort / Tannersville, PA	2	Cabin	\$321,229	<i>Only sales of waffles and cider — Only winter months</i>	\$99,637	\$249	\$32,123	\$23,946
Carinthia Cabins, LLC / Gunstock Mountain, NH	1	Cabin	\$13,878	<i>Opened in December 2023 — Only winter months</i>	N.A.			
Exit 32 Baking, LLC / Bretton Woods, NH	1	Cabin	\$87,381	<i>Only winter months</i>	\$34,386	\$1,702	\$17,476	\$18,018
Exit 32 Baking, LLC / Loon Mountain, NH	2	Cabin	\$334,417	<i>Only winter months</i>	\$97,010	\$2,825	\$30,402	\$22,128
Exit 32 Baking, LLC / Sunday River, ME	2	Cabin / Mobile	\$261,516	<i>Cabin only winter months -</i>	\$72,655	\$469	\$17,434	\$12,150

				<i>– Mobile +/- year round</i>				
Green Mountain Waffles / Jay Peak Resort, VT	1	Cabin	\$121,620	<i>Only winter months</i>	\$35,813	\$118	\$24,324	\$32,366
Harpers Waffles / Long Beach, NY	1	B&M	\$55,321	<i>Year round</i>	\$11,758	\$1,704	\$4,610	\$3,049
Headwall Holdings, LLC / Steamboat Resort, CO	1	B&M	\$28,092	<i>Opened in December 2023 – Year round</i>	N.A.			
Headwall Holdings, LLC / Winter Park Resort, CO	4	3 Cabin / 1 B&M	\$823,683	<i>Cabins only winter months – B&amp;M +/- year Round</i>	\$54,991	\$173	\$28,403	\$27,668
Jersey Waffle Cabin / Milford, NJ	1	Mobile	\$35,954	<i>Only catering services – Year round</i>	\$8,353	\$632	\$3,995	\$2,987
Ledge Rock / Gore Mountain, NY	1	Cabin	\$222,769	<i>Only winter months</i>	\$78,455	\$1,769	\$31,824	\$37,230
Ledge Rock / Whiteface Mountain, NY	1	Cabin	\$143,402	<i>Only winter months</i>	\$49,757	\$2,284	\$20,486	\$25,060
Northville Waffles / Northville, MI	1	Mobile	\$131,272	<i>Only catering services – Year round</i>	\$76,893	\$0	\$10,939	\$3,874
Philly Waffle Cabin / Lansdale, PA	1	Mobile	\$202,009	<i>Only catering services – Year round</i>	\$37,741	\$5,004	\$16,834	\$13,966
Ragged Waffles, LLC / Ragged Mountain, NH	1	Cabin	\$52,337	<i>Only winter months</i>	\$19,360	\$5,320	\$13,084	\$13,828
Ragged Waffles, LLC / Mount Sunapee, NH	1	Cabin	\$149,257	<i>Only winter months</i>	\$45,581	\$2,809	\$29,155	\$37,863
Ragged Waffles, LLC / Waterville Valley, NH	1	Cabin	\$126,210	<i>Only winter months</i>	\$40,106	\$3,377	\$25,242	\$28,564
<del>Smuggler's</del> Smuggler's Notch Ski Club / <del>Smuggler's</del> Smuggler's Notch, VT	1	Cabin	\$27,278	<i>Only winter months</i>	\$9,844	\$70	\$6,819	\$3,904
State Stone, Inc / Boyne Mountain, MI	1	Cabin	\$296,918	<i>Only winter months</i>	\$97,376	\$1,033	\$29,692	\$7,062
State Stone, Inc / Crystal Mountain, MI	1	Cabin	\$174,725	<i>Only winter months</i>	\$65,609	\$1,221	\$34,945	\$28,454
State Stone, Inc / The Highlands, MI	1	Cabin	\$10,158	<i>Opened in December 2023 – Only winter months</i>	N.A.			
<del>Tonia's</del> Tonia's Waffle Cabin / Purgatory Resort, CO	1	Cabin	\$77,656	<i>Only sales of waffles and cider – Only winter months</i>	\$22,193	\$273	\$11,094	\$14,471
Vernon Waffle Cabin / Belleayre, NY	1	Cabin	\$212,059	<i>Only winter months</i>	\$63,085	\$2,602	\$42,412	\$47,246
Vernon Waffle Cabin / Mountain Creek, NJ	2	Cabin	\$224,632	<i>Only winter months</i>	\$92,265	\$17,528	\$56,158	\$57,419
Waffle Cabin of Connecticut / Ridgefield, CT	1	Mobile	\$65,180	<i>Only catering services – Year round</i>	\$11,769	\$1,704	\$5,432	\$4,656

WCS, LLC / Snowshoe Mountain Resort, WV	2	Cabin	\$292,826	<i>1 Cabin only winter months - = 1 cabin +/- year round</i>	\$49,152	\$213	\$14,641	\$3,816
TOTAL	38		\$4,654,426					

**These outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.**

**Notes:**

- The above figures are the actual results for all Franchised Businesses in the Waffle Cabin System. Restaurants are primarily located at ski resorts (open during the winter months) but may be located at other non-traditional locations like malls or other seasonal locations like beachfront properties.
- The Gross Sales reported for Blue Mountain Ski Resort, Tonia's Waffle Cabin, and Camelback Resort include only sales of waffles and apple cider.
- "Gross Sales" is defined as all income of any type or nature and from any source that was derived or received directly or indirectly from, through, by or on account of the operation of the franchised location, in whatever form and from whatever source, including, but not limited to, cash, services, in kind from barter and/or exchange, on credit or otherwise, as well as business interruption insurance proceeds, all without deduction for expenses, including marketing expenses and taxes. "Gross Sales" does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities.
- Bracky, Northville Waffles, Philly Waffle Cabin, Jersey Waffle Cabin and Waffle Cabin of Connecticut operated only catering services in 2023.

The Franchised Businesses report Gross Sales information to us based upon a uniform reporting system. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

Other than the preceding financial performance representation, Atomium, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Peter Creyf at 18 Night Pasture Lane, South Chittenden, Vermont, 05701, and (802)775-0058, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**

**For years 2021, 2022, 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	26	28	+2
	2022	28	<u>3433</u>	+ <u>65</u>
	2023	<u>3433</u>	38	+ <u>45</u>
Company-Owned*	2021	18	17	-1
	2022	17	13	-4
	2023	13	14	+1
<b>Total Outlets</b>	<b>2021</b>	<b>44</b>	<b>45</b>	<b>+1</b>
	<b>2022</b>	<b>45</b>	<b>47</b>	<b>+2</b>
	<b>2023</b>	<b><u>4746</u></b>	<b>52</b>	<b>+<u>56</u></b>

\*The Company-Owned Outlets reflected in the chart above are owned and operated by our affiliates.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2021, 2022, 2023**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
None	2021	0
	2022	0
	2023	0
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2021, 2022, 2023**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations – Other Reasons</b>	<b>Outlets at End of the Year</b>
Colorado	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
<b>Total</b>	<b>2021</b>	<b>26</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>28</b>
	<b>2022</b>	<b>28</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3433</b>
	<b>2023</b>	<b>3433</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>38</b>

**Table No. 4**  
**Status of Company-Owned Outlets\***  
**For years 2021, 2022, 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Massachusetts	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
New York	2021	5	0	0	0	1	4
	2022	4	0	0	0	2	2
	2023	2	0	0	0	0	2
Vermont	2021	11	0	0	0	0	11
	2022	11	0	0	0	1	10
	<del>2022</del> 2023	10	0	0	0	0	10
<b>Total</b>	<b>2021</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>17</b>
	<b>2022</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>13</b>
	<b>2023</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

\*The Outlets in the above chart are owned and operated by our affiliates.

**Table No. 5**  
**Projected Openings as of December 31, 2023**

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Utah	0	1	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>

A list of the names of all franchisees and multi-unit operators and the addresses and telephone numbers of their franchises will be provided in Exhibit D to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit operator who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit D to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Waffle Cabin System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Waffle Cabin System.

## **ITEM 21** **FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit A are our audited financial statements for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021. Also included in Exhibit A is our unaudited balance sheet as of July 1, 2024.

Our fiscal year end is December 31<sup>st</sup>.

## **ITEM 22** **CONTRACTS**

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

Franchise Agreement	Exhibit B
Multi-Unit Operator Agreement	Exhibit C
Form of General Release	Exhibit H
Franchisee Acknowledgment Statement	Exhibit I

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

## **ITEM 23** **RECEIPTS**

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

**Exhibit A to the  
Waffle Cabin Franchise Disclosure Document**

**FINANCIAL STATEMENTS**

**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.**

Atomium, Inc  
Balance Sheet  
As of July 15, 2024

	Jul 15, 24
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bar Harbor Bank and Trust	301,632.14
Change Money Winter Park CO	44.25
Fidelity	757,731.45
Petty cash Winter park	-79.55
Total Checking/Savings	1,059,328.29
Accounts Receivable	
Accounts Receivable	27,185.83
Total Accounts Receivable	27,185.83
Total Current Assets	1,086,514.12
<b>TOTAL ASSETS</b>	<b>1,086,514.12</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Loan to Gary Hadley	-900.00
Loan to Richard Orellana	-1,930.00
Sales Tax Payable	6,509.74
SBA PPP Loan Funding	65,264.00
Total Other Current Liabilities	68,943.74
Total Current Liabilities	68,943.74
Total Liabilities	68,943.74
Equity	
Retained Earnings	658,946.86
Net Income	358,623.52
Total Equity	1,017,570.38
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,086,514.12</b>

**Exhibit D to the  
Waffle Cabin Franchise Disclosure Document**

**LIST OF FRANCHISEES**  
**(as of December 31, 2023)**

<b>COLORADO</b>	
<u>Mountain Capital Partners</u> Austin Foster – 970-382-2874	<u>One cabin at:</u> Purgatory Ski Resort 1 Skier Place Durango, Colorado 81301
<u>Headwall Holdings, LLC</u> Spencer Chu 816-516-2617	<u>One brick-and-mortar at:</u> Steamboat Springs Resort 2305 Mount Werner Cir Steamboat Springs, CO 80487
<u>Headwall Holdings, LLC</u> Jonathan Chu 816-516-8420	<u>Four cabins at:</u> Winter Park Resort 115 Parry Peak Way Winter Park, Colorado 80482
<b>CONNECTICUT</b>	
<u>Waffle Cabin of Connecticut</u> Corey Londoner – 646-641-3456	<u>One mobile unit for catering:</u> 5 Abott Avenue Ridgefield, Connecticut 06877
<b>MAINE</b>	
<u>Exit 32 Baking LLC*</u> Mike Griffin – 617-763-2862	<u>One cabin and one mobile unit at:</u> Sunday River Resort 15 South Ridge Road Newry, Maine 04261
<b>MICHIGAN</b>	
<u>State Stone, Inc.*</u> Emerson Meyer – 646-287-5012	<u>One cabin at:</u> Boyne Mountain Resort 1 Boyne Mountain Road Boyne Falls, Michigan 49713  <u>One cabin at:</u> Crystal Mountain 12500 Crystal Mountain Drive Thompsonville, Michigan 49683  <u>One cabin at:</u> The Highlands at Harbor Springs 600 Boyne Highlands drive Harbor Springs, MI 49740
<u>Northville Waffles, LLC</u> Michael Charles Douglas – 734-751-0946	<u>One mobile unit for catering:</u> 16164 Crystal Downs East Northville, MI 48168
<b>NEW HAMPSHIRE</b>	
<u>Carinthia Cabins, LLC</u> Judson Stalter – 518-321-1920	<u>One cabin at:</u> Gunstock Mountain

Hayden Stalter – 518-321-0977	179 Cherry Valley Road Gilford, NH 03249
<u>Exit 32 Baking LLC*</u> Mike Griffin – 617-763-2862	<u>Two cabins at:</u> Loon Mountain Resort 60 Loon Mountain Road Lincoln, New Hampshire 03251  <u>One cabin at:</u> Bretton Woods Ski Resort 99 Ski Area Road Bretton Woods, New Hampshire 03575
<u>Ragged Waffles LLC*</u> Mike Pendergast – 508-566-7665	<u>One cabin at:</u> Ragged Mountain Resort 620 Ragged Mountain Road Danbury, New Hampshire 03230  <u>One cabin at:</u> Mount Sunapee Resort 1398 Route 103 Newbury, New Hampshire 03255  <u>One cabin at:</u> Waterville Valley Resort 1 Ski Area Road Waterville Valley, New Hampshire 03215
<b>NEW JERSEY</b>	
<u>Vernon Waffle Cabin, LLC*</u> Dennis Clark – 845-494-2858	<u>Two cabins at:</u> Mountain Creek Resort 200 Route 94 Vernon, New Jersey 07462
<u>Jersey Waffle Cabin</u> Laura Brengel – 908-442-1145	<u>One mobile unit cabin for catering:</u> 3 Berkshire Way Milford, New Jersey 07733
<u>Bracky, LLC</u> Tom Cooney – 732-673-6490	<u>One mobile unit cabin for catering:</u> 17 Wilshire Way Holmdel, New Jersey 07733
<b>NEW YORK</b>	
<u>Vernon Waffle Cabin, LLC*</u> Dennis Clark – 845-494-2858	<u>One cabin at:</u> Belleayre Mountain 181 Galli Curci Road Highmount, New York 12997
<u>Harper’s Waffles, Inc.</u> Christopher Wierzbicki, Erick Alahverdian & Gerard Van Leuvan 516-987-8355	<u>One brick-and-mortar at:</u> 874B West Beech Street Long Beach, New York 11561
Joss Jakubowski 518-524-8932	<u>One cabin at:</u> Gore Mountain 793 Peaceful Valley Road North Creek, New York 12853
<u>Ledge Rock at Whiteface Inc.</u>	<u>One cabin at:</u>

Roger Jakubowski 518-946-2302	Whiteface Mountain 5021 Route 86 Wilmington, New York 12997
<b>PENNSYLVANIA</b>	
<u>Philly Waffle Cabin LLC</u> Jenny Gardner 267-228-4289	<u>One mobile unit for catering:</u> 648 Vermont Avenue Lansdale, Pennsylvania 19446
<u>Blue Mountain Ski Resort</u> 610-826-7700	<u>Two cabins at:</u> Blue Mountain Ski Resort 1660 Blue Mountain Drive Palmerton, Pennsylvania 18071
<u>Camelback Mountain Resort</u>	<u>Two cabins at:</u> Camelback Mountain Resort One Camelback Road Tannersville, Pennsylvania 18372
<b>VERMONT</b>	
<u>Green Mountain Waffles LTD. CO.</u> Phoenix Willey 801-664-0318	<u>One cabin at:</u> Jay Peak Resort 830 Jay Peak Road Jay, Vermont 05859
<u>Smuggler's Notch Ski Club</u> 802-730-3149	<u>One cabin at:</u> Smuggler's Notch Resort 4323 Vermont Route 108 South Jeffersonville, Vermont 05464
<b>WASHINGTON</b>	
<u>Bodhi, LLC</u> Dani Warner – 206-698-3035 John Warner – 206-687-6834	<u>One brick-and-mortar at:</u> Summit at Snoqualmie 1001 WA-906 Snoqualmie Pass, WA 98068
<b>WEST VIRGINIA</b>	
<u>WCS, LLC*</u> 304-940-1918	<u>Two cabins at:</u> Snowshoe Ski Resort 10 Snowshoe Drive Snowshoe, West Virginia 26209

**\*Multi-Unit Operators**

**Franchisees who signed a franchise agreement but were not yet open as of December 31, 2023:**

NONE

**FRANCHISEES WHO HAVE LEFT THE SYSTEM**  
**(as of December 31, 2023)**

NONE

**ILLINOIS ADDENDUM TO THE FDD, FRANCHISE AGREEMENT,  
AND MULTI-UNIT OPERATOR AGREEMENT**

Illinois law governs the Agreements.

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 the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

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, 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.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_.

FRANCHISOR:  
ATOMIUM, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PRINCIPALS:  
  
\_\_\_\_\_  
Name: \_\_\_\_\_  
  
\_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE  
OF MARYLAND**

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Maryland Franchise Law”). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a Waffle Cabin franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.
  
2. Item 5 is amended to state:
  - (a) Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
  
  - (b) In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.
  
3. Item 17 is amended to state:
  - (a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.
  
  - (b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.
  
  - (c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.).
  
  - (d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
  
4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH  
MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES  
NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE  
SECURITIES COMMISSIONER.**

**ADDENDUM TO THE WAFFLE CABIN FRANCHISE AGREEMENT REQUIRED BY THE  
STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Waffle Cabin Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 3 or Section 14.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 17.1.2 of the Franchise Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.).”

3. To the extent of any inconsistencies, Section 19.7 of the Franchise Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.”

4. To the extent of any inconsistencies, Section 19.8 of the Franchise Agreement is hereby amended to further state:

“Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.”

5. 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.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

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

8. 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.

9. Section 4.1 of the Franchise Agreement relating the payment of the Initial Franchise fee is hereby amended to state that the Franchisor will defer collection of the Initial Franchise Fee until Franchisor has fulfilled its initial pre-opening obligations and Franchisee may open for business.

The parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

\_\_\_\_\_  
FRANCHISOR:

\_\_\_\_\_  
ATOMIUM, INC.

\_\_\_\_\_  
By:

\_\_\_\_\_  
(Print Name, Title)

\_\_\_\_\_  
**FRANCHISEE:**

\_\_\_\_\_  
By:

\_\_\_\_\_  
(Print Name, Title)

\_\_\_\_\_  
**PRINCIPAL:**

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
**PRINCIPAL:**

\_\_\_\_\_  
(Print Name)

**ADDENDUM TO THE WAFFLE CABIN MULTI-UNIT OPERATOR AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Waffle Cabin Multi-Unit Operator Agreement (the “Multi-Unit Operator Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 11 of the Multi-Unit Operator such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 9.1.8 of the Multi-Unit Operator Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.).”

3. To the extent of any inconsistencies, Section 18 of the Multi-Unit Operator Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.”

4. To the extent of any inconsistencies, Section 18 of the Multi-Unit Operator Agreement is hereby amended to further state:

“Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.”

5. 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.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

7. Section 4.1 of the Franchise Agreement relating the payment of the Development fee is hereby amended to state that the Franchisor will defer collection of the Initial Franchise Fee until the first franchise under the development agreement opens.

8. To the extent of inconsistencies, the Multi-Unit Operator Agreement and Attachment 1 of the Operator Acknowledgement Statement are hereby amended to state that 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.

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

10. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Multi-Unit Operator Agreement on the same date as that on which the Multi-Unit Operator Agreement was executed.

FRANCHISOR:

\_\_\_\_\_

\_\_\_\_\_  
ATOMIUM, INC.

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

\_\_\_\_\_  
FRANCHISEE:

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

\_\_\_\_\_  
PRINCIPAL:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
PRINCIPAL:

\_\_\_\_\_  
(Print Name)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,  
AMENDMENT TO FRANCHISE AGREEMENT, AND MULTI-UNIT OPERATOR AGREEMENT  
PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW**

**(Applies only to Minnesota franchisees)**

Notwithstanding anything to the contrary set forth in the Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The following language shall be added to the Disclosure Document and the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle, or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. The Disclosure Document and Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn.Stat.Sec. 80C.14, Subds 3, 4 and 5, which require, except in certain specific cases, that a Franchisee be given ninety (90) day notice of termination (with sixty (60) days to cure) and one hundred eighty (180) day notice for non-renewal of the Franchise Agreement.”

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Liquidated damages and termination penalties are prohibited by law in the State of Minnesota and, therefore, the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event the termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within ten (10) days after demand as compensation for all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Operating Term of the Franchise Agreement. This does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

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.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND  
AMENDMENT TO FRANCHISE AGREEMENT  
PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW**  
**Continued**

6. Item 17 of the Disclosure Document is amended to add the following and the following language will appear at the end of any Franchise Agreement issued in the State of Minnesota:

“Pursuant to Minnesota Statutes, Chapter 80C and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes Chapter 80C.”

7. The Disclosure Document and the Franchise Agreement are amended as follows:

“Nothing contained herein shall limit Franchisee’s rights to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860-4400J.”

8. The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. Also, a court will determine if a bond is required.

9. Any limitations of claims set forth in the Franchise Agreement must comply with Minnesota Statutes, Section 80C.17, Subd 5.

10. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Amendment concurrently with the execution of the Franchise Agreement this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

ATOMIUM, INC.  
FRANCHISOR \_\_\_\_\_ FRANCHISEE (Print Name)

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: CEO \_\_\_\_\_ Title: \_\_\_\_\_

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

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT G OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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

3. The following is added to the end of Item 4:

**VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Atomium, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_.

\_\_\_\_\_  
FRANCHISOR:  
ATOMIUM, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
FRANCHISEE:

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
PRINCIPALS:  
\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**WASHINGTON ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT**

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

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

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

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

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

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

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

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and franchisee is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Operator Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

The General Release, Exhibit H of the Franchise Disclosure Document, is hereby amended to state the General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

The Franchisee Acknowledgment Statement, Exhibit I of the Franchise Disclosure Document, is hereby amended to state the Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

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

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_  
\_\_\_\_\_.

FRANCHISOR:  
ATOMIUM, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PRINCIPALS:  
\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 68-2 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box <del>90334</del> 1200 Olympia, WA <del>98507-9033</del> 98504-1200 -(360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**Exhibit I to the  
Waffle Cabin Franchise Disclosure Document**

**FRANCHISEE ACKNOWLEDGEMENT STATEMENTS**

**FRANCHISEE ACKNOWLEDGMENT STATEMENT**

**\*\*NOT FOR USE IN CALIFORNIA AND WASHINGTON\*\***

**\*\*Franchisees in the state of Washington should not sign this Acknowledgment\*\***

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Operator Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

1. Franchisee (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

\_\_\_\_\_  
Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

\_\_\_\_\_  
Initial

3. ~~3.~~ Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Operator Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Operator Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Operator Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and

UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

\_\_\_\_\_  
Initial

PRINCIPAL:

FRANCHISEE:

\_\_\_\_\_  
*Signature*  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

**~~\*\*FOR USE BY WASHINGTON FRANCHISEES ONLY\*\*~~**

~~Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Operator Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.~~

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

~~\_\_\_\_\_ Acknowledgement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.~~

- ~~1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee.~~

\_\_\_\_\_  
Initial

- ~~2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement~~

~~involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.~~

\_\_\_\_\_  
Initial

- ~~3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi Unit Operator Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi Unit Operator Agreement). Franchisee further acknowledges that the Franchise Agreement (or Multi Unit Operator Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.~~

\_\_\_\_\_  
Initial

- ~~4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents, or servants, about the business contemplated by the Franchise Agreement (or Multi Unit Operator Agreement) that are contrary to the terms of the Franchise Agreement (or Multi Unit Operator Agreement) or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement (or Multi Unit Operator Agreement). Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement (or Multi Unit Operator Agreement).~~

\_\_\_\_\_  
Initial

- ~~5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement (or Multi Unit Operator Agreement).~~

\_\_\_\_\_  
Initial

- ~~6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business.~~

\_\_\_\_\_  
Initial

~~7. Franchisee acknowledges that it has received the Atomium, Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement (or Multi Unit Operator Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi Unit Operator Agreement) was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.~~

~~\_\_\_\_\_  
Initial~~

~~8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement (or Multi Unit Operator Agreement) or the relationship thereby created.~~

~~\_\_\_\_\_  
Initial~~

~~9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement (or Multi Unit Operator Agreement).~~

~~\_\_\_\_\_  
Initial~~

~~10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.~~

~~\_\_\_\_\_  
Initial~~

~~11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.~~

~~\_\_\_\_\_  
Initial~~

~~PRINCIPALS: \_\_\_\_\_ FRANCHISEE:  
\_\_\_\_\_~~

~~\_\_\_\_\_  
Signature \_\_\_\_\_ By: \_\_\_\_\_~~

Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature*  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## State Effective Dates

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

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

State	Effective Date
California	<del>August 1, 2024</del> Pending
Illinois	<del>August 23, 2024</del> Pending
<u>Maryland</u>	<u>Pending</u>
Michigan	<del>Pending</del> July 19, 2024
<u>Minnesota</u>	<u>Pending</u>
New York	Pending
Rhode Island	<del>Pending</del> June 12, 2024
<u>Virginia</u>	<u>July 25, 2024</u>
Washington	Pending
Wisconsin	<del>Pending</del> June 5, 2024

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.

**RECEIPTS**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Atomium, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Atomium, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit G.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Peter E. Creyf 18 Night Pasture Lane South Chittenden, Vermont 05701 (802)779-5743	Jason Palmer 18 Night Pasture Lane South Chittenden, Vermont 05701 (802)282-2902
---	---

Issuance Date: May 28, 2024

I received a Disclosure Document date May 28, 2024, that included the following Exhibits:

- EXHIBIT A: Financial Statements
- EXHIBIT B: Franchise Agreement with Attachments
- EXHIBIT C: Multi-Unit Operator Agreement with Attachments
- EXHIBIT D: List of Franchisees and Franchisees Who Have Left the System
- EXHIBIT E: Table of Contents of the Confidential Operations Manual
- EXHIBIT F: State-Specific Addenda
- EXHIBIT G: List of State Administrators/Agents for Service of Process
- EXHIBIT H: Form of General Release
- EXHIBIT I: Franchisee Acknowledgment ~~Statements~~ Statement

Date Received: \_\_\_\_\_  
(If other than date signed)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Address

**KEEP FOR YOUR RECORDS**  
**RECEIPT**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Atomium, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Atomium, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit G.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Peter E. Creyf 18 Night Pasture Lane South Chittenden, Vermont 05701 (802)779-5743	Jason Palmer 18 Night Pasture Lane South Chittenden, Vermont 05701 (802)282-2902
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Issuance Date: May 28, 2024

I received a Disclosure Document dated May 28, 2024, that included the following Exhibits:

- EXHIBIT A: Financial Statements
- EXHIBIT B: Franchise Agreement with Attachments
- EXHIBIT C: Multi-Unit Operator Agreement with Attachments
- EXHIBIT D: List of Franchisees and Franchisees Who Have Left the System
- EXHIBIT E: Table of Contents of the Confidential Operations Manual
- EXHIBIT F: State-Specific Addenda
- EXHIBIT G: List of State Administrators/Agents for Service of Process
- EXHIBIT H: Form of General Release
- EXHIBIT I: Franchisee Acknowledgment ~~Statements~~ Statement

Date Received: \_\_\_\_\_  
(If other than date signed)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Address

**Please return signed Receipt to: Atomium, Inc.**  
18 Night Pasture Lane  
South Chittenden, Vermont 05701