

FRANCHISE DISCLOSURE DOCUMENT



FRANKNFURTERS FRANCHISING LLC

4250 N Drinkwater Blvd., Suite #165

Scottsdale, AZ 85251

888-303-3399

www.frank-furters.com

franchise@frank-furters.com

We offer franchises for the operation of restaurants under the “Frank & Furter’s” name that offer hot dogs, sausages, and burgers with a variety of toppings as well as fresh-cut fries, shakes, and other foods and beverages including wine and beer where permitted by law on an eat-in or take out basis in a family-friendly warm, and lively environment (a “**Restaurant**”).

The total investment necessary to begin operation of a [Frank & Furter’s Restaurant](#) is ~~estimated to be between \$342,150 and \$815,300~~. This amount includes ~~\$35,000~~ \$40,850 that must be paid to ~~us or~~ franchisor ~~our~~ affiliates.

The total investment necessary to ~~obtain~~ begin operation of a Frank & Furter’s Development Agreement is \$52,500 to \$235,000. This amount includes \$50,000 and \$225,000 that must be paid to ~~us or~~ franchisor ~~our~~ affiliates. The estimated initial investment for a Development Agreement is in addition to the estimated initial investment for a Restaurant described in the preceding paragraph.

The development rights for the operation of three or more Restaurants ~~ranges from \$52,500 to \$235,000~~ (which assumes, on the low end, two (2) additional Restaurants and nine (9) additional Restaurants on the high end). ~~This includes a Development Fee between \$50,000 and \$225,000 that must be paid to us or our affiliate.~~

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Lyle Myers, Franknfurters Franchising LLC, 4250 N Drinkwater Blvd, Suite #165, Scottsdale, Arizona 85251, and 888-303-3399.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 made available by the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by mediation, arbitration, and/or litigation only in Arizona. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with us in Arizona than in your home state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that 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 franchised business.
5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
6. **Spousal Liability.** Your spouse may be required, depending upon the laws of your state, to sign a document that makes your marital community liable for all financial obligations under the franchise agreement even if your spouse has no ownership interest in the franchise. This guaranty will, if required, place your and your spouse's marital assets, perhaps including your house, at risk if your franchise fails.

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

TABLE OF CONTENTS

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

ITEM 2 BUSINESS EXPERIENCE..... 3

ITEM 3 LITIGATION ~~34~~

ITEM 4 BANKRUPTCY ~~34~~

ITEM 5 INITIAL FEES 4

ITEM 6 OTHER FEES ~~45~~

ITEM 7 ESTIMATED INITIAL INVESTMENT..... 13

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES..... 17

ITEM 9 FRANCHISEE’S OBLIGATIONS 21

ITEM 10 FINANCING..... 22

ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 22

ITEM 12 TERRITORY 29

ITEM 13 TRADEMARKS 32

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 34

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 36

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 36

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP..... 37

ITEM 18 PUBLIC FIGURES ~~43~~~~44~~

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS..... ~~43~~~~44~~

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION..... 44

ITEM 21 FINANCIAL STATEMENTS..... 46

ITEM 22 CONTRACTS 46

ITEM 23 RECEIPTS ~~46~~~~47~~

EXHIBITS:

- A. List of State Administrators
- B. Franchisor’s Agent for Service of Process
- C. Franchise Agreement
- D. Development Agreement
- E. EFT Preauthorization
- F. Form of General Release
- G. Franchisor Lease Addendum
- H. Table of Contents of Confidential Operations Manual
- I. State-Specific Disclosures
- J. Financial Statements
- K. Franchisee Questionnaire
- L. Lists of Current and Former Franchisees
- M. State Effective Dates
- N. Receipts

Separate Franchise Disclosure Document (Regional Developer Franchises)

In a separate franchise disclosure document, we offer area representative ("Regional Developer") franchises to recruit prospective Frank & Furter's franchisees ("Franchisee(s)") in a defined geographic area (the "Development Area") and support Franchisees in the Development Area during the term of the Development Agreement.

ITEM 2 BUSINESS EXPERIENCE

Mark McIntosh-Chief Executive Officer. Mark McIntosh has been our CEO since our formation in December 2023. Mark has also been the CEO of Frankfurters, Inc. since October 2023. From October 2013 to present Mr. McIntosh has been the owner and CEO of National Driver Solutions in Scottsdale, Arizona. From 2006 through October 2013, Mr. McIntosh was Vice President of Fox Restaurant Concepts in Phoenix, Arizona.

Ben Crawford Jr.-Chief Financial Officer. Mr. Crawford has been our Chief Financial Officer since our formation in December 2023. Mr. Crawford is also the Chief Financial Officer of Parent. From June 2021 through December 2023, Mr. Crawford was the Chief Financial Officer for House 17 in Boston MA. Prior to this, Mr. Crawford was an investment banker at G2 Capital Advisors in Boston, Massachusetts, an industry-focused investment bank and restructuring advisor from January 2019 to June 2021.

Lyle Myers-Chief Development Officer. Mr. Myers has been our Chief Development Officer since our formation in December 2023. Mr. Myers has been the Chief Development Officer for iFlex Franchising LLC in Scottsdale, Arizona since July 2022 and Sparkle Franchising in Scottsdale, Arizona since February 2024. Between January 2017 and March 2021, Mr. Myers was the President of Clovr Life Spa Franchising LLC formally known as Sirius Day Spa Franchising, LLC in Scottsdale, AZ. From January 2015 through July 2020, he was the President of Redline Athletics Franchising, LLC in Scottsdale, Arizona. From April 2013 through July 2022, Mr. Myers was an independent franchise management consultant.

Craig Colmar-Director. Mr. Colmar has been our Director since our formation in December 2023. Mr. Colmar has been a partner at Johnson and Colmar, a law firm since January 1992 in Chicago, Illinois.- Mr. Colmar was a co-founder of The Joint Corp., a franchisor and operator of chiropractic clinics [in Scottsdale, Arizona from March 2010 to March 2017.](#)

Steve Colmar-Director. Mr. Colmar has been our Director since our formation in December 2023. Since 1999, Mr. Colmar has served as president of Business Ventures Corp., in Austin, Texas. Mr. Colmar was a co-founder of The Joint Corp., a franchisor and operator of chiropractic clinics [in Scottsdale, Arizona from March 2010 to March 2017.](#)

Richard Rees-Director. Mr. Rees has been our Director since our formation in December 2023. Since December 2021, Mr. Rees has been a Partner in Monarch Ventures, Inc. in Austin, TX and Salt Lake City, Utah. Since 2005, Mr. Rees has been the Chief Operating Officer of Business Ventures Corp in Austin, TX. Mr. Rees was a co-founder of The Joint Corp., a franchisor and operator of chiropractic clinics [in Scottsdale, Arizona from March 2010 to 2017.](#)

Jack Colmar—Vice President of Development. Mr. Colmar has been our Vice President of Development since March 2024. Mr. Colmar was the Director of Construction for the Joint Chiropractic from 2021-2024. Mr. Colmar was the construction manager for the Joint Chiropractic from 2012-2021.

Julian Colmar-Vice President. Mr. Colmar has been our Vice President since December 2023. Mr. Colmar has been CFO of iFlex Stretch Studios since June 2022. From June 2011 through December 2022,

Mr. Colmar was a franchisee of The Joint Chiropractic in Austin, Texas. Mr. Colmar has been the Director of Research for Business Ventures Corp. in Austin, Texas since January 2016.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Franchise Agreement

If we grant you a franchise for a Restaurant, then when you sign the Franchise Agreement you must pay us a non-recurring initial franchise fee (“**Initial Franchise Fee**”) of \$35,000. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances. The Initial Franchise Fee is generally uniformly imposed as to all franchisees purchasing a franchise for a Restaurant although we may, on a case-by-case basis, reduce or waive Initial Franchise Fees in our sole discretion.

The Initial Franchise Fee payable with respect to your second and each subsequent franchise agreement will be \$25,000.

As described in Item 1, we offer a 10% reduction of the Initial Franchise Fee in connection with your Franchise Agreement for a new Restaurant if you: (i) are United States military veterans; (ii) have been honorably discharged from any branch thereof; (iii) own a majority interest in the franchised Restaurant; and, (iv) otherwise meet our requirements for the incentive program (the “**Veteran Incentive Qualifications**”).

Development Agreement

If we allow you to sign our Development Agreement because you commit to developing a minimum of two (2) additional Restaurants (not including the Restaurant governed by the Franchise Agreement) in a defined geographic area (the “**Development Area**”), you will pay us a fee (the “**Development Fee**”) equal to the Initial Franchise Fees that you would pay for each of the agreed upon Restaurants.

The Development Fee is not refundable under any circumstances. If you sign the Development Agreement, pay the Development Fee, and then cannot find sites for Restaurants or choose not to perform for another reason (in which case the first Franchise Agreement and/or the Development Agreement is terminated), we may keep the entire Development Fee and need not return any money to you.

Restaurant Design Fee. You must pay us a Restaurant Design Fee to prepare an initial restaurant floor plan. Payment is due when you sign your Franchise Agreement. The current Restaurant Design Fee is \$750 per Restaurant. This fee is not refundable.

Technology Fees. We charge a monthly technology fee for those technology licenses and services that we provide to you or that we license from others to provide to you. During the first three (3) months of operating your Restaurant, you will pay us \$5,100 in Technology Fees.

Equipment, Signage, and Existing Restaurants

Column 1 Type of Fee ⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	upon our agreement or your agreement with such third party.		connection with the transfer and sale of your Restaurant.
Renewal Fee ⁽⁸⁾	25% of then-current Initial Franchise Fee	Upon your delivery of written notice to us of your intent to renew your Franchise Agreement.	You may, with our approval and consent, which will not be unreasonably withheld, and the payment of the Renewal Fee, renew the Franchise Agreement for one ten (10) year term and two five (5) year terms. The Renewal Fee is payable each time that you renew your Franchise Agreement.
Relocation Fee ⁽⁹⁾	\$2,500	At the time you request a relocation of your Restaurant	The Relocation Fee is intended to cover our administrative expenses associated with reviewing and administering your proposed relocation. If we approve your relocation, we will retain the entire Relocation Fee. If we disapprove your proposed relocation, we will return the Relocation Fee minus our reasonable costs and expenses in reviewing the proposed relocation.
Additional Initial Training Fee ⁽¹⁰⁾	\$1,000 per attendee.	Upon registration for the Training Program of anyone beyond the two <u>three</u> individuals included with your Initial Franchise Fee.	The Initial Training Fee for three (3) individuals is included with the payment of your Initial Franchise Fee. Payable at the time you register for our Training Program.
Continuing Training, Annual & Other Meetings ⁽¹¹⁾	Up to \$1,000 per attendee, per year.	Upon invoice, ACH, or EFT no less than six months before the scheduled training or meeting.	We may require you and your personnel to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic

(10) We estimate that your annual cost of insurance will range from \$5,000 - \$10,000. You must purchase all insurance necessary to operate your franchise, including but not limited to, general liability, umbrella, and workers' compensation. Our insurance requirements are set for in item 8 and may be updated from time to time by way of updates to our manual or other written communications.

(11) Frank & Furter's Restaurants will generally occupy between 1,000-2,000 square feet of space, typically in a shopping center in an urban or suburban commercial area. If you choose to buy the property for your restaurant, your investment could be substantially higher. We estimate that rent for a Frank & Furter's restaurant will range from \$8 to \$80 per square foot. The rent you pay will depend upon a number of factors including the geographic location of your restaurant, space size, local rental rates, and other factors. Landlords typically charge a security deposit equal to one month's rent and also may have other deposits that vary according to location. The amount included in this Item 7 estimates the rent you will pay for the first three months including lease deposits. The low initial estimate for base rent accounts for you receiving free rent from your landlord and does not include the payment of a security deposit. The high estimate includes no free rent and the payment of a security deposit equal to the first and last month's rent.

(12) You must pay the travel and living expenses for at least two people to attend the Training Program, which is currently located in Scottsdale, Arizona, or at a certified training restaurant. Your travel and living expenses will include airfare, hotel, and food for approximately three weeks. This amount may be significantly higher if you reside in certain remote areas or if you and we agree that you may bring more than two people through the Training Program. This amount does not include salaries, if any, for you and your employees.

(13) As with any retail business, you will purchase inventory continuously as long as you operate your Restaurant. This figure only represents an estimate of the initial inventory you will be required to purchase in opening your Restaurant.

(14) You must obtain and maintain certain types and amounts of insurance (See Item 8). Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross sales, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 3 months.

(15) This represents an estimate of miscellaneous costs that you may incur in addition to the classes of costs identified in Item 7.

(16) You will be required to conduct a grand opening advertising campaign in conjunction with the opening of your Restaurant. You must pay all costs of the grand opening, including publicity costs and promotional costs, plus the full cost of any price reductions or other customer inducements. If applicable, we will assist you with developing and carrying out this grand opening campaign.

(17) You should retain business professionals (advisors, accountants, attorneys) to assist you in evaluating, establishing, and managing your Restaurant. This is an estimate of the fees that you will incur in the retention of such professionals.

(18) Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business. The range shown estimates your expenses during the first three (3) months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. ~~Your costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period.~~ The estimated additional funds are based upon our experience as a

franchisor and our affiliates’ experience operating company stores.

(19) These estimated ranges are based on our experience. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

**YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT AGREEMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ⁽¹⁾	\$50,000-\$225,000	Lump Sum	At execution	Us
Legal and Accounting ⁽²⁾	\$2,500 - \$10,000	As Arranged	As Incurred	Attorney, Accountant
TOTAL ⁽³⁾	\$52,500 -\$235,000			

(1) If we allow you to sign our Development Agreement because you commit to develop a minimum of two (2) additional Restaurants (in addition to the one (1) Restaurant contemplated by the Franchise agreement) in the Development Area, we currently charge a Development Fee that you must pay in full when you sign the Development Agreement. The Development Fee due equals the full Initial Franchise Fee for each Restaurant covered by the Development Agreement. The Development Fee presented in this Item 7 table assumes the development of two (2) additional Restaurants on the low end, and the development of nine (9) additional Restaurants on the high end. The Development Fee is not refundable under any circumstances.

(2) ~~We strongly recommend you engage the services of professionals to assist you in evaluating our franchise and the Development Agreement. This will include attorneys and accountants.~~ Actual cost depends on the work done by your attorneys and accountants and their rates.

(3) The estimated initial investment for a ~~single Development Agreement is in addition to the estimated initial investment for a~~ Restaurant, ~~as set forth described~~ in the ~~first~~ Item 7 table above, ~~will apply to each Restaurant opened under the Development Agreement.~~ You should be aware that such estimated initial investment for your second and subsequent Restaurant will likely be higher than for your first Restaurant due to inflation and other economic facts that may vary over time.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

System Standards

To ensure that the highest degree of quality and service is maintained at all Restaurants, you must operate your Restaurant in accordance with the System including the System Standards. We have developed the System Standards based upon our experience and the experience of our affiliates. We disclose the System Standards to you in the Manual, on our Intranet site and/or otherwise in writing. We may amend, modify, increase, or decrease the System Standards upon our updating of the Manual.

Approved Products, Approved Services, Distributors and Suppliers

We may develop certain proprietary or branded services, payment systems, and related services (“Approved

Services”) and/or branded and/or designated, required, or approved products that you will be required to offer in your Restaurant (collectively “Approved Products”). We reserve the right to require you to purchase Approved Products from us or our affiliates at any time. We also reserve the right to amend, add, modify, delete, or change the list of Approved Products or Approved Services that you must offer at your Restaurant. We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services or the packaging and delivery of products and services authorized for sale at Restaurants.

For your Restaurant, you must purchase Approved Products only from us or a third party designated and licensed by us to prepare and sell such products (“Designated Suppliers”) and purchase from manufacturers, distributors, vendors and suppliers approved by us (“Approved Suppliers”) all other goods, products, materials and supplies (collectively, “Goods”), as well as advertising materials, furniture, fixtures, equipment, menus, forms, paper and plastic products, packaging or other materials (collectively, “Materials”) that meet the standards and specifications promulgated by us from time to time. We may require you to use only certain brands (collectively, “Approved Brands”) and prohibit you from using other brands. From time to time, we may modify the list of Approved Brands and you may not, after receipt of such modification in writing, reorder any brand that is no longer an approved brand.

None of our owners are Designated Suppliers of Goods or Materials although we reserve the right to make Parent, affiliates, or entities owned or controlled by Parent, owners, or affiliates Designated Suppliers or Approved Suppliers in the future. Currently, no franchisor officer owns an interest in any supplier.

We may approve one or more suppliers for any Goods or Materials and may approve a supplier only as to certain Goods or Materials. Approval of a supplier or vendor may be conditioned on requirements relating to the product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, concentration of purchases, or other criteria, and may be temporary pending a further evaluation of such supplier by us. These criteria and standards are included in the Manual.

We and our affiliates, from time to time, may receive payments from suppliers or vendors (including Designated Suppliers and/or Approved Suppliers) on account of such suppliers’ dealings with you and other Restaurant franchisees, and we may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Restaurants or any other group of businesses franchised or operated by us or our affiliates. We have not collected any revenue from Designated Suppliers or Approved Suppliers as of ~~the Effective Date of this FDD~~ April 10, 2024. If we do collect such revenue from these parties, the amount paid to us by Designated Suppliers and/or Approved Suppliers will be, on a case by case basis, a percentage of sales to you and other franchisees or a flat fee

If you propose to purchase any Goods or Materials (that you are not required to purchase from a Designated Supplier or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier’s facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. A charge not to exceed \$10,000 reflecting the actual costs that we incur, including travel related expenses, video conferencing, product purchases, retention of third-party examination companies, and professional time, inspecting the proposed alternative Goods or Materials and the actual cost of testing the proposed Goods and Materials, must be paid to us by you. We will notify you within 60 days of your request as to whether you are authorized to purchase such products from that supplier. We reserve the right, at our option, to inspect the facilities and products of any such Approved Supplier and to revoke our approval upon the

endorsed to provide that the coverage shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory

Music

You must utilize our Approved Supplier of music at your Restaurant Franchised Business. Our Approved Supplier will require you to enter into a license agreement with them granting you the right to play approved music selections at your Franchised Business. The current expenses associated with the Music License Agreement are approximately \$59 per month. You may also be required to obtain additional ASCAP, BMI and/or SESAC licenses in conjunction with our approved music system.

We may operate and change the System in any manner that is not expressly or specifically prohibited by the Franchise Agreement.

Development Agreement

The Development Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. You must give us information and materials we request regarding each site at which you propose to operate a Restaurant so we can assess that site. The information and materials we may request is consistent with the information and materials we may request for site selection under the Franchise Agreement. (See Item 11).

ITEM 9 FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the Franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Premises selection and acquisition/lease	5(A), 5(B)	1(a)	8, 11, 12
b.- Pre-opening purchases/leases	6(B)	N/A Not applicable	8, 11
c. Premises development and other pre- opening requirements	6	N/A Not applicable	5, 8, 11
d.- Initial and ongoing training	11	N/A Not applicable	11
e. Opening	6(D)	1(b)	8, 11
f. Fees	7	2	5, 6, 7, 8
g. Compliance with standards and policies/operating manual	10, 12	N/A Not applicable	8, 11, 12, 13, 16
h.- Trademarks and proprietary information	13	5(c)	13, 14
i. Restrictions on products/services offered	12(B)	5	8, 11

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
j. Warranty and customer service requirements	30(E)	N/A Not applicable	Not applicable
k.- Territorial development and sales quotas	3(A), 5(A)	1	5, 12
l. Ongoing product/service purchases	12(B)	N/A Not applicable	8, 11, 16
m. Maintenance, appearance, and remodeling requirements	12(E)	N/A Not applicable	11
n.- Insurance	12(J)	N/A Not applicable	7
o.- Advertising	9	N/A Not applicable	6, 7, 8, 11
p.- Indemnification	23	13	6, 13, 14
q.- Owner's participation/management/staffing	14(D)	N/A Not applicable	15
r. Records and reports	7(S), 8(B)	N/A Not applicable	6
s. Inspections and audits	8(D), 12(L)	N/A Not applicable	6, 8
t. Transfer	15, 16	10	6, 11
u.- Renewal	4(B)	N/A Not applicable	6, 11
v.- Post-termination obligations	20	N/A Not applicable	13, 14
w. Non-competition covenants	18	N/A Not applicable	13, 14, 17
x.- Dispute resolution	27	11	17

ITEM 10 FINANCING

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

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

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance

Before you open and begin operating the Restaurant, we will:

1. Identify the Site Selection Area for you to select a site for the Restaurant. (See Section 5(A); Exhibit C: Franchise Agreement)
2. We anticipate that you will operate the Restaurant in a commercial space that you will lease either from a third party or, in some instances, from us or our Affiliates. We will accept or not accept each site that you propose within the Site Selection Area within 30 days according to our general criteria for selection of a Restaurant site. The site must meet our criteria for location, occupancy costs, proximity to major retail activity and other Restaurants, sign visibility, and applicable retail structure. You must submit and receive our acceptance of an acceptable site within the Site Selection Area and open your Restaurant within one year after you sign the Franchise Agreement (the “**Opening Deadline Period**”). Your failure to find an acceptable site and open your Restaurant by the Opening Deadline Period may result in termination of your Franchise Agreement. (See Sections 5(A) and 19(B)(1); Exhibit C: Franchise Agreement)
3. After a Premises is identified, we will approve or disapprove (in our sole discretion) of the terms of the proposed lease agreement for your site within 30 days after you provide us with a copy of the terms. You must purchase or lease your business location from independent third parties. If you intend to lease your business location, the lease must include certain required provisions including a Franchisor Lease Addendum. (See Section 6(D); Exhibit C: Franchise Agreement).
4. Designate the Protected Area for the Restaurant. The Protected Area granted to you will generally be a geographic area encompassing between ½ of one mile and one mile radius from the front door of your Restaurant (the “Protected Area”) although the Protected Area may, in our discretion, be reduced, in certain high density population areas (“High-Density Areas”) and/or be limited to a Non-Traditional Location (defined as an airport terminal, train station, university, stadium, etc.) Currently, we consider New York City (including boroughs), Los Angeles (including suburbs), San Francisco, Chicago, Boston, Miami, Denver, and Honolulu to be High-Density Areas. We reserve the right to add additional High-Density Areas in the future. The factors that we will consider in establishing a proposed Protected Area include location, adjacent economic profiles, captive population, accessibility, competition, and proximity to major retail and business activity. (See Section 3(A); Exhibit C: Franchise Agreement)
5. Provide you with one copy of the Confidential Operations Manual, the current table of contents of which is attached as Exhibit H to this Disclosure Document. As of ~~the date of this Disclosure Document~~ April 10, 2024, the Confidential Operations Manual contains approximately 245 pages. (See Section 10; Exhibit C: Franchise Agreement).
6. Provide you with some of the rules, regulations, instructions, policies, and procedures you must operate the Restaurant strictly in accordance with. (See Sections 12; Exhibit C: Franchise Agreement).
7. Assist you in identifying the furnishings, fixtures, and equipment (including cash registers, point of sale systems, and computer hardware and software), signs, products, materials, and supplies necessary or authorized for your Restaurant to begin operation. (See Sections 6(B) and 6(C); Exhibit C: Franchise Agreement).
8. Provide you with the names and contact information of any suppliers you are required or authorized to use to supply you with products or services that comply with our standards and specifications. The names and contact information of the Approved Suppliers and the written specifications for the approved equipment, signs, fixtures, opening inventory, and supplies are contained in the Confidential Operations Manual. Franchisor does not deliver or install any of these approved items. (See Sections 12(B); Exhibit C: Franchise Agreement).

9. Assist you, if you are opening a new Restaurant, in coordinating a grand opening promotional advertising program, or such other advertising program as we may specify. (See Section 9(A); Exhibit C: Franchise Agreement).
10. Train you and your designated representative. (See Section 11(A); Exhibit C: Franchise Agreement) We describe this training later in this Item.
11. Designate a specific number of Restaurants you must develop and open at accepted locations in the Development Area (if we grant you development rights). (See Exhibit D: Development Agreement). Some of the assistance noted above may be performed during the term of a Development Agreement but before the signing of a second or subsequent Franchise Agreement.

Ongoing Assistance

During the operation of your Restaurant, we will:

1. Provide you with information on our operating and other standards for your Restaurant. We may modify these as, and when, we desire. (See Section 12; Exhibit C: Franchise Agreement).
2. Continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance, and service at all Restaurants in the System, including making periodic inspections and quality service checks of your Restaurant. (See Section 12(L); Exhibit C: Franchise Agreement)
3. Provide one of our representatives to come to your Restaurant during opening week for up to three (3) days, at our expense, to work with you and/or your General Manager on opening, operating and marketing your Restaurant. You may request that our representative assist you for a longer period, but you will be required to pay us Ongoing Training Fees for additional time that our representative spends assisting you in opening your Restaurant. (See Sections 11(C), 11(D); Exhibit C: Franchise Agreement)
- ~~4. Establish, to the fullest extent allowed by applicable law, maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. (See Section 12(M); Exhibit C: Franchise Agreement)~~
- ~~5.4.~~ Upon your request, reasonably assist you in resolving operating problems you may encounter. (See Section 11(E), Exhibit C: Franchise Agreement)
- ~~6.5.~~ Review proposed substitute locations and you must obtain our prior approval if you desire to relocate your Restaurant. (See Section 2(B); Exhibit C: Franchise Agreement)
- ~~6.~~ Offer you the option to renew your Franchise Agreement for: (i) one term of 10 years; and (ii) two consecutive five year terms if you meet our requirements at the time of each renewal. Upon renewal, you must execute our form of Franchise Agreement being used at the time of your renewal and pay us the applicable Renewal Fee although the term of that Franchise Agreement will be amended to be five years. (See Section 4(B); Exhibit C: Franchise [Agreement](#)).
- ~~7. Establish, to the fullest extent allowed by applicable law, maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. (See Section 12(M); Exhibit C: Franchise Agreement)~~

Advertising Fund

We have established a National Advertising Fund (the “**Advertising Fund**”) that will include your Advertising Fund Contributions and those of other Restaurant franchisees, in accordance with each applicable Franchise Agreement (See Item 6 of this Disclosure Document). The Advertising Fund Contribution, which is a percentage of your Net Sales (See [Exhibit C: Franchise Agreement](#)) will be due and payable with the Royalty Fee (See [Exhibit C: Franchise Agreement](#)). All franchisees must contribute to the Advertising Fund at the same rate of up to 6% (currently 1.5%) of Net Sales (the “**Advertising Fund Contribution**”). If an affiliate of ours administers the Advertising Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third parties for comparable services. Each of our company-owned or affiliated Restaurants will make contributions to the Advertising Fund on the same basis as required of the other franchise owners in the same geographic market. [We are not obligated to contribute any additional funds on advertising in your territory.](#) Unless required by applicable law, we will have no obligation to create a trust account, escrow account, or other special account for the Advertising Fund, and the monies comprising the Advertising Fund may be placed in our general account(s) if we desire. We may also reserve portions of the Advertising Fund for use in a subsequent year. (See Section 9(C); [Exhibit C: Franchise Agreement](#)). We may solicit franchisee input directly and/or form a franchise advisory council to provide input to us on the use of the Advertising Fund, although we are not obligated to do so. We are not obligated to act on any specific proposals or recommendations from franchisees or a franchise advisory council.

The Advertising Fund will be used for marketing, advertising, production, and media expenses to promote the Frank & Furter’s names, Systems, products, and services. The Advertising Fund may be used to pay any and all costs of maintaining, administering, directing, and preparing advertising, including the cost of preparing and conducting television, radio, internet, social media, digital, electronic mail, magazine and newspaper advertising campaigns and other public relations activities, employing advertising agencies to assist in such campaigns or other activities, and providing customizable digital files and other marketing materials to franchise owners. We are entitled to receive the following from the Advertising Fund: reimbursement of our expenses, overhead, and employee salaries for services provided to the Advertising Fund and rent for office space provided to the Advertising Fund. Advertising Fund Contributions not spent in the fiscal year in which they accrue are rolled over to the next fiscal year. The Advertising Fund is not audited and the financial statements for the Advertising Fund are not available to franchisees. We may use an outside advertising agency to create and place advertising or we may use an in-house marketing department. [We do not currently intend to use any portion of the Advertising Fund to solicit new franchise sales.](#)

Because we did not implement the Fund during our 2022 fiscal year, it has no operating history.

Your Local Advertising

In addition to your Advertising Fund contributions and your grand opening marketing and advertising campaign, you must, during each calendar month, spend no less than \$2,500 or 3% of your Net Sales on approved local marketing programs, whichever is greater. We may audit your books and records to confirm that you have satisfied this requirement.

All advertising by you must be conducted in a professional manner, must conform to the standards and requirements in our Confidential Operations Manual, and must display our Marks only in those forms approved by us. You will submit samples to us (through e-mail, return receipt requested) and obtain our prior approval (except with respect to the cost of the advertising) of all advertising and promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. If you do not receive our written approval within 15 days from the date of receipt by us of such materials, we will be deemed to have rejected the proposed advertising. We may make available to you, from time to time, approved advertising, promotional plans, and materials for purchase.

You may not maintain a website or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Restaurant without our prior written approval.

Cooperative Advertising Programs

We will not prevent the formation of franchisee cooperatives. We may, in our sole discretion form, develop, and coordinate cooperatives. Currently, there are no regional or national marketing cooperatives for Restaurants franchisees. We encourage our franchisees to form and operate voluntary franchisee cooperative regional advertising associations (each a “**Cooperative**”). If a Cooperative is formed for your region, you must participate in the Cooperative or lose your right to vote as to Cooperative matters. The membership of the Cooperative would be defined by us by market area. We reserve the right at any time, in our sole discretion, to form, change, dissolve, or merge Cooperatives and you will be obligated to contribute to the Cooperative in an amount established and approved by the Cooperative that will be in addition to your other required marketing expenditures.

Computer System

We require you to exclusively use a designated point-of-sale system to record all your sales during the operation of your Restaurant, the components of which are identified in the Confidential Operations Manual (the “**POS System**”). We require that the manufacturer or its authorized representative to service the POS System, at your cost. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the term of your Franchise Agreement as we may require from time to time. There are no contractual limitations on the frequency or cost for Franchisee to upgrade or update the POS System during the term of the Franchise Agreement. ~~It will be your responsibility to enter into contracts for the maintenance, support, upgrades, and updates to the POS System with an Approved Supplier of such services identified in either the Confidential Operations Manual or other notification to you from us advising of suppliers for your market area.~~ Your POS System cost per Restaurants will depend, among other things, on your Restaurant’s size and configuration, the system options you choose and/or the types of telephone and internet access services available. You are required to obtain a high speed/always on internet connection service for your POS System. This requirement shall be defined by the then-current Confidential Operations Manual, which may change from time to time. You may be required, from time to time, to upgrade the POS System’s hardware and/or software, at your sole cost and expense, in order to maintain the POS System in conformity with our then current requirements. You and your employees must complete training for the POS System as we require. If you are buying an existing Restaurants with an older system, it is a requirement for the transfer that you purchase and install the then current POS System in your Restaurant. (See Section 16(B)(10); Exhibit C: Franchise Agreement).

It will be your responsibility to enter into contracts for the maintenance, support, upgrades, and updates to the POS System with an Approved Supplier of such services identified in either the Confidential Operations Manual or other notification to you from us advising of suppliers for your market area. We estimate that the annual costs associated with required or optional maintenance, support, upgrades, and updates will be \$1,000 annually.

You are required to buy a POS System and other required hardware (“**Computer System**”) and software in connection with the operation of your Restaurant. The current cost of the Computer System is \$4,538-6,500. This amount includes the POS System, and a computer system with basic capability to interact with the internet, to receive and send emails using the email address we provide for you, word processing and spread sheet capabilities, to submit orders, and to receive monthly statements for purposes of operating your business generally. No specific type of data is necessary to be generated or stored in the computer system. You are also required to pay a monthly Technology Fee of \$1,700 per month for technology services that we provide to you or license from others to provide to you. We will have independent access

to the information generated or stored in the computer system.

You must obtain credit card and gift card processing services from our designated vendor, which will be the same vendor used by Franchisor or affiliate owned Restaurants. The charges associated with credit card and gift card transactions are compiled per transaction and therefore will vary from Restaurant to Restaurant. We estimate that the costs associated with credit card transactions will be between 2% and 4% of your credit card and gift card generated Net Sales although this is subject to change.

We require that you permit us to poll your sales information on a daily basis. We require you to execute an Electronic Funds Transfer Agreement (which is attached to this Disclosure Document as Exhibit E), permitting us to debit your account for payment of: (a) Royalty Fees; (b) Advertising Fund Contributions; (c) other amounts payable to us; and (d) product purchases from us or our Affiliates; (See Section 7(R); Exhibit C: Franchise Agreement).

Opening

The typical length of time between the earlier of the signing of the Franchise Agreement or the first payment of consideration for obtaining the right to open and operate a Restaurant and the opening of a Restaurant is nine to twelve months. The factors that may affect this time are lease negotiations; zoning procedures; financing applications; local ordinances and approvals; obtaining licenses and permits; construction delays; weather conditions; shortages; delayed installation of equipment, fixtures, and signs; development or construction not in accordance with our requirements; labor disputes; Acts of God; and other reasons.

Training

We will make an initial training program (the “**Training Program**”) available to you and your designated representative after you sign the Franchise Agreement. The following table indicates the general subject matter, the days each subject is covered, the number of hours of classroom training, and the number of hours of “on-the-job” training for each subject to be covered during the Training Program, and who will be performing each section of the Training Program. Our instructors are experienced and adequately trained in the ownership and operation of a Restaurant. The person in charge of the Training Program is Mark McIntosh [who has been with the company since October of 2023](#). Mr. McIntosh has approximately 40 years of relevant experience in the food and beverage field. Other personnel involved with on-the-job training of franchisees are third party training specialists who may assist us in developing the Training Program. During the classroom portion of the Training Program, staffing, kitchen management, inventory control, marketing and sales, POS/back office system, reporting and administration will be taught using the Restaurant Confidential Operations Manual. (See Section 3; Exhibit C: Franchise Agreement).

In-store training will be taught in a certified training Restaurant using our Confidential Operations Manual. Certain portions of the Training Program may be altered or eliminated based upon your skill set. Further, substitute instructors may handle certain portions of the Training Program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 1: Orientation, Brand History, Review Schedule, Review Ops Manual, Menu Review, Review Station Guides & Daily Operating	8		At training facility we designate

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 13: Review previous days successes and opportunities with Trainer, MIT Runs Shift while trainer shadows	1	10	At training facility we designate
Day 14: Final Exam, POS, ordering, equipment maintenance, service providers, the owner/operator items needed	10		At training facility we designate
Total	34	97	

You or another partner, shareholder or member of your business organization, and your General Manager must successfully complete our Training Program ~~to our satisfaction~~. If you wish to own and operate multiple Restaurants, you must continuously employ a minimum number of General Managers who have successfully completed our Training Program. You and your General Managers must be able to read and write English fluently, in our good faith opinion, to satisfactorily complete our Training Program, and to communicate with employees, customers and suppliers. If at any time prior to the opening or during the operation of your Restaurant you hire a new General Manager, the new manager must successfully complete the Training Program. The fee for a new manager to attend the Training Program is \$2,500 per person.

The classroom portion of the Training Program will be held in Scottsdale, Arizona, a certified training store, or at such other location(s) as we may designate in our sole discretion. You will need to arrange for transportation, food, and lodging for you and your designated attendees. The costs you incur will depend on the distance you must travel and the type of accommodations you choose. The Training Program is currently offered as needed by each particular franchisee, although we reserve the right to set a Training Program schedule in the future.

You must complete the Training Program no more than eight weeks and no less than one week prior to the opening of your Restaurant.

In addition to the Training Program, you must ensure that all of your employees are trained in our procedures. You are solely responsible for hiring and training your employees. You must also ensure that the manager(s) and all employees whose duties include customer service are able to read and write English fluently and any other language that may be required to meet the public needs in your Restaurant. We believe training is important to the success of the Restaurant System, and from time to time, we may offer formal and informal training sessions to franchisees. You must attend, and you should require your employees to attend, any such training sessions. You must purchase any online, DVD or streaming training programs that we may make available to you from time to time. In order for your employees to operate these programs, you must purchase and make available a computer to present these training courses in your Restaurant.

We may hold mandatory refresher or additional training programs, conferences, and seminars. Your attendance at these programs is mandatory. To help us defray the cost of sponsoring these programs, there may be a nominal registration fee, and you will be required to pay the cost of transportation, food, lodging, and other personal expenses of your attendance and those of your personnel at any such program. These programs will be held at locations within the United States that we will specify in our sole discretion.

The summary of total training days does not include travel days. Depending on where you are traveling

You may not market the Restaurant or use the Marks on the Internet without our prior authorization and then only in the manner prescribed by us.

Continuation of your franchise and your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Development Agreement

You may (if you qualify) develop and operate a number of Restaurants within the Development Area. While the Development Agreement is in effect, we (and our affiliates) will not establish or operate or grant to others the right to establish or operate other Restaurants the physical premises of which are located within the Development Area. There are no other restrictions on us (or our affiliates).

We and you will identify the Development Area in the Development Agreement before signing it. The Development Area typically is a city, cities, or counties. We base the Development Area's size primarily on the number of Restaurants you agree to develop, population, per person or family income, current and potential development, your financial strength, and certain other related factors. We and you will negotiate the number of Restaurants you must develop to keep your development rights and the dates by which you must develop them, although you must develop, open, and operate at least three (3) Restaurants under the Development Agreement. We and you will then complete the schedule in the Development Agreement before signing it. ~~While the Development Agreement is in effect, we (and our affiliates) will not establish or operate or grant to others the right to establish or operate other Restaurants the physical premises of which are located within the Development Area. There are no other restrictions on us (or our affiliates).~~ You must not develop or operate Restaurants outside the Development Area. We may terminate the Development Agreement if you do not satisfy your development obligations when required. In addition, if you fail to comply with the terms of the Development Agreement during its term, we may, at our option, elect to terminate only the exclusivity of the Development Area instead of terminating the Development Agreement entirely. This means that during the remainder of the term of the Development Agreement, we and our affiliates will have the right to establish and operate and grant to others the right to establish and operate, Restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions. However, our termination of the exclusivity will be without prejudice to our right to later terminate the Development Agreement for the same default or any other defaults under the Development Agreement.

~~Except for our control of social media accounts, we generally do not restrict the persons you solicit, or the methods by which you promote the Restaurant. However, if you utilize any form of direct advertising directed at defined prospective customers, the advertising may be directed only to customers located within your Area. We do not limit customers from outside your Area from ordering food or products from your Restaurant.~~

If the Development Agreement expires or terminates, but one or more of your Franchise Agreements remains in effect, we may not establish or grant any franchise to a third party for the establishment of a Restaurant within the Protected Area.

Despite the development schedule under the Development Agreement, we may delay your development of additional Restaurants within the Development Area for the time period we deem best if we believe, when you apply for the next Restaurant, that you are not yet operationally, managerially, or otherwise prepared (due to the particular amount of time that has elapsed since you developed and opened your most recent Restaurant) to develop, open and/or operate the additional Restaurant according to our standards and specifications. We may delay additional development as long as the delay will not in our reasonable opinion

cause you to breach your development obligations under the development schedule (unless we are willing to extend the schedule to account for the delay).

Except as described above, we may not alter your Area during the Development Agreement's term.

Provided that you have substantially complied with the terms of the Development Agreement, including satisfaction of the development schedule, you satisfy our then current financial criteria for franchisees, and no event of default relating to any monetary obligations owed to us or our Affiliates under the Development Agreement, any franchise agreement or any other agreement between you or any of your Affiliates and us or any of our Affiliates has (A) occurred and is continuing; or (B) occurred during the 12 months preceding your request for consent, whether or not such event of default was cured or curable, you will have a right of first offer ("ROFO") to develop Restaurants within the Development Area after the expiration of the Development Agreement and through the one year anniversary of the expiration of the Development Agreement ("ROFO Period"); provided that this right will not prohibit us from exercising any of our reserved rights under the Development Agreement during the ROFO Period.

Except for the ROFO described above, you have no options, rights of first refusal, or similar rights to acquire additional franchises or additional development territories beyond the development rights granted to you in the Development Area during the term of the Development Agreement.

Except for our control of social media accounts, we generally do not restrict the persons you solicit, or the methods by which you promote the Restaurant. However, if you utilize any form of direct advertising directed at defined prospective customers, the advertising may be directed only to customers located within your Area. We do not limit customers from outside your Area from ordering food or products from your Restaurant.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

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

You may sign the Franchise Agreement individually, or as a corporation, partnership, or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies, or any other legal entities. If you sign the Franchise Agreement individually you must meet the qualifications of an Operating Principal. If Franchisee is a corporation, partnership, or limited liability company, you must designate an individual to serve as your Operating Principal. The Operating Principal must: (i) devote full time and best efforts to the supervision and conduct of the Restaurants which you developed and operate; (ii) successfully complete the Initial Training Program; (iii) own a majority of the equity interest in your corporation or limited liability company during the entire period he serves as Operating Principal; (iv) execute the Franchise Agreement and be individually bound by all your obligations under those agreements; and (v) be approved by us.

If an Operating Principal is unable or elects not to continue to meet their obligations as Operating Principal, or if, in our sole discretion, an Operating Principal no longer qualifies to act as such, you must promptly designate another Operating Principal. The same individual may serve as your Operating Principal and of all or any of the franchised Restaurants controlled by you.

You must take such precautions as we deem necessary to ensure that your Operating Principal maintains confidentiality of the information described in [Item 14](#) and conforms with the covenants not to compete described in [Item 17](#).

Your Restaurants must at all times be under the direct, on premises supervision of a manager who has satisfactorily completed our Training Program. You must also maintain a competent, conscientious, trained staff, including a fully trained manager, co-managers or staff as may be necessary to properly operate your Restaurants. We impose no limitations as to whom you may hire as the Restaurant managers except with respect to the Operating Principal, and except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your manager). We will not have an employment, special employment, or joint employment relationship with your owners, members, shareholders, managers, employees, agents, and contractors. You are fully responsible for the acts and omissions of your employees and managers.

The Operating Principal, manager, and other employees may also be required to enter into an agreement not to compete with Restaurants under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. See [Item 17](#) for a description of these obligations.

Each individual who owns an interest in your corporation or limited liability company must sign the Franchise Agreement in their individual capacity and a guaranty agreeing to be bound by all the terms and conditions of the Franchise Agreement including any amendments and to unconditionally guarantee the payment of all liabilities incurred by you, as Franchisee, at any time and must sign as additional signatories the Franchise Agreement.

[Depending on the creditworthiness of the Principals and the community property laws of the states in which they reside, we may also require that the spouse of each Principal sign our “Guaranty and Assumption of Obligations.”](#)

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all products and services which are part of the Frank & Furter’s System, and all services and products we incorporate into the Frank & Furter’s System in the future. You may not use the

Marks for any other business. You must use the Premises solely for the operation of a Restaurant and keep it open and in normal operation for such minimum hours and days as we may periodically specify or approve in writing. You must not use, or permit the use of, the Premises for any other purpose or activity at any time without first obtaining our written consent.

You must meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. To ensure that the highest degree of quality, cleanliness, appearance, and service is maintained, you must operate the Restaurant in strict conformity with such methods, standards, and specifications as we may periodically require in the Manual or otherwise in writing. You must also maintain in sufficient supply and use at all times only such ingredients, products, materials, supplies, and packaging as conform to our standards and specifications, and you must not deviate from those standards and specifications by the use or offer of non-conforming items, without our prior written consent.

You must sell, or offer for sale only such items, products, and services as we have expressly approved for sale in writing. You must sell, or offer for sale, all items, products, and services specified by us, and you must not deviate from our standards and specifications without our prior written consent. You must discontinue selling and offering for sale any items, products, or services, which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized menu items, goods and services, and there are no limits on our rights to make changes.

You must offer all services that we may require including all proportional programs, contests, and other System services and activities.

You must operate the Restaurant in strict conformity with all applicable federal, state, and local laws, ordinances, and regulations. Such laws, ordinances and regulations vary from jurisdiction to jurisdiction and are amendable or may be implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances, and regulations applicable to the then-current implementation or integration of them.

For a description of your restrictions on some purchases, see Item 8 of this Disclosure Document.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
a. Length of the Term of the Franchise	4(A)	6(a)	<p>The initial Term of the Franchise Agreement is 10 years. The term of Development Agreement depends on development obligations.</p> <p>The Development Agreement will expire on the date that the last Development Deadline is met.</p>

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
b. Renewal or extension of the Term	4(B)	Not Applicable	<p>At the expiration of the Term, you may with our approval and consent renew the Franchise Agreement for one consecutive term of ten years and two consecutive five year terms.</p> <p>No renewal or extension of Development Agreement.</p>
c. Requirements for you to renew or extend	4(B)	7	<p>At the time of each renewal, Franchisee, if not in breach of any agreement with Franchisor: must notify Franchisor in writing of its intention to renew at least six months (but not more than 12 months) before the end of each then current Term (Initial or Renewal), and at its expense, remodel and update the Restaurant to Franchisor’s then current standards. In addition, Franchisee must sign the form of franchise agreement then being signed by new franchisees and will be subject to the terms of that franchise agreement, which may include materially different terms and conditions from the original franchise agreement, other than the Term, which will be five years and also must sign a general release of Franchisor and its Affiliates, in the form that Franchisor may require, as well as attend any training programs or refresher courses that Franchisor requires.</p> <p>You may extend the term of the Development Agreement by paying a monthly Extension Fee.</p>
d.- Termination by you	19(A)	Not Applicable	<p>Upon the material default by Franchisor of one or more provisions of this Franchise Agreement if the Franchisee provides written notice of the default to Franchisor along with no less than 60 days to cure the default. If the default outlined in Franchisee’s notice of default cannot be cured within 60 days and Franchisor is making commercially</p>

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			reasonable efforts to cure the default, the cure period shall be extended for an additional 60 days. Franchisee may terminate the franchise agreement under any grounds permitted by law.
e. Termination by us without cause	N/A Not Applicable	N/A Not Applicable	N/A Not Applicable
f. Termination by us with cause	19(B)	6(b), 6(c)	We may terminate your franchise (and development rights) only if you or your owners commit one of several violations.
g. “Cause” defined— defaults that can be cured	19(B)	Not Applicable	Franchisee is in material default, and Franchisor may terminate this Agreement and/or seek an injunction, monetary damages, and/or other relief, in Franchisor’s sole discretion, upon the occurrence of any “Events of Default,” each of which, individually, constitutes “good cause” for termination, if Franchisee does not cure monetary defaults within 10 days, insufficient working capital within 30 days, impermissible transfer within 30 days, incomplete training requirements, or other obligations within 30 days.
h. “Cause” defined— defaults that cannot be cured	19(C)	6(b), 6(c)	Franchisee is in material default, and Franchisor may terminate this Agreement and/or seek an injunction, monetary damages, and/or other relief, in Franchisor’s sole discretion, upon the occurrence of any “Events of Default,” each of which, individually, constitutes “good cause” for termination. We may terminate the Development Agreement if you do not meet development schedule or other obligations; if the Franchise Agreement or any other franchise agreement between us and you (or your affiliated entity) is terminated by us for cause or by you for any or no reason; or we have delivered formal notice of default to you (or your affiliated entity) under the Franchise Agreement or another franchise agreement (whether or not

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			default is cured). A termination of the Development Agreement is not deemed to be the termination of any franchise rights granted under any then- effective individual franchise agreements.
i. Your obligations on termination/non-renewal	20	Not Applicable	<p>Franchisee must:</p> <p>1. Forfeit all fees paid and promptly return to Franchisor Franchisor’s Confidential Operations Manual, all training materials, all recipes and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, the Innovations or the Confidential Information); Franchisor may enter the Premises of your Restaurant and recover Franchisor’s Confidential Operations Manual, all training materials, all recipes and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, the Innovations or the Confidential Information); Comply with each and every of the covenants that survive termination set forth in Section 12 of the Franchise Agreement.</p> <p>Immediately (a) cease using the Marks, the Copyrights, the Innovations and the Confidential Information, (b) cancel all assumed names or equivalent business registrations relating to the use of the Marks, (c) notify the telephone company and all listing agencies of the termination of Franchisee’s right to use the Marks and, if requested by Franchisor, of Franchisee’s assignment of Franchisee’s telephone numbers to Franchisor, (d) not, directly, or indirectly, identify himself with Franchisor or the Marks and (e) if requested by Franchisor or the Landlord, renovate the Premises of your Restaurant to eliminate the Marks and de-identify such Premises to remove all Trade Dress, returning it to a “vanilla shell,” at Franchisee’s expense; Pay to Franchisor, within 10 days of</p>

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			<p>expiration or termination of this Agreement, all amounts outstanding to Franchisor or its Affiliates from Franchisee or their Affiliates.</p> <p>Franchisor may, but will not be obligated to, purchase, or have its designee purchase and Franchisee shall be obligated to sell to Franchisor: all, or any portion of, Franchisee’s signage and menu boards, equipment, and other tangible assets of your Restaurant for an amount equal to the Value (as defined in the Franchise Agreement).</p> <p>Franchisor, or its designee, may, but will not be obligated to, pursuant to the Franchisor Lease Addendum, assume Franchisee’s future obligations under the Lease and continue the operations of Franchisee’s Restaurants in Franchisor’s, or its designee’s, name.</p>
j. Assignment of contract by us	15	11(b)	No restriction on our right to assign; we may assign without your approval
k. “Transfer” by you — definition	16	11(a)	Any transfer of an equity interest in Franchisee or transfer of some or all of the assets of Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer.
l. Our approval of transfer by franchise owner	16(B)	11(a)	<p>We are willing to allow you to transfer your Restaurant to a new franchisee if they meet our then current standards for new franchisees and you comply with our requirements for transferring your Restaurant.</p> <p>Your developmentFranchisee may not assign or otherwise transfer, by operation of law or otherwise, his rights under the Developmentthis Agreement are not assignable at all.without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole</p>

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			discretion
m. Conditions for our approval of transfer	16(B)	11(a)	The prospective Transferee must satisfy our then- current qualifications for franchisees; establish that the financial or other terms of the transfer will not adversely impact upon the Transferee’s operation of the Restaurant; Franchisee (or their Principals, officers, managers or employees) or the Transferee (if they are an existing franchisee of Franchisor) must not be in breach of, or default under this Agreement; payment of a Transfer Fee.
n. Our option to purchase your business	16(G)	Not Applicable	Within 30 days after Franchisor’s receipt of all of the Required Materials, Franchisor will notify Franchisee that the Franchisor desires to purchase Franchise rights under this Agreement, upon the same terms and conditions as are offered by the Transferee, the transfer is approved or disapproved, at Franchisor’s election.
o. Your death or disability	16(D)	11(a)	<p>FA: Franchisee or their legal representative must, within 90 days after Franchisee’s death, disability, or dissolution of marriage, transfer the Restaurant to a person or entity approved by Franchisor.</p> <p>DA: Franchisee may not assign or otherwise transfer, by operation of law or otherwise, his rights under this Agreement without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole discretion</p>

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
p. Non-competition covenants during the term of the franchise	18(A)	Not Applicable	Franchisee may not, during the term of the Agreement directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business, restaurant, kiosk, or food truck offering hot dogs, sausages, and burgers, fries, shakes, and other foods and beverages subject to applicable state law.
q. Non-competition covenants after the Franchise Agreement is terminated or expires	18(B)	Not Applicable	Franchisee may not, during the term of the Agreement and for the one-year period after the expiration or termination of this Agreement, in a defined geographic area, for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business, restaurant, kiosk, or food truck offering hot dogs, sausages, and burgers, fries, shakes, and other foods and beverages subject to applicable state law.
r. Modification of the Agreement	26	12	Franchisor may modify and amend Franchisor's Confidential Operations Manual and to issue rules, regulations, instructions, policies, and procedures for the conduct of Restaurants from time to time, in its sole discretion, without obtaining the consent or approval of Franchisee. Other than through the modification and/or amendment of the Confidential Operations Manual, no amendment, modification or waiver of any condition, provision or term of the Franchise Agreement or Development Agreement will be valid or of any effect unless made in a writing.
s. Integration/merger clause	26	14	Only the terms of the Franchise Agreement or Development Agreement are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			Agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
t. Dispute resolution by arbitration or mediation	27(A)	26	Any controversy or dispute that arises between the parties related in any way to this Agreement or the relationship between the parties must be submitted to non-binding mediation before an action may be brought in a court of competent jurisdiction or in arbitration (subject to applicable state law).
u.- Choice of forum	27(C)	17	Except as prohibited by state franchise law, litigation must be in jurisdiction where our principal offices are located (subject to applicable state law).
v.- Choice of law	27(B)	17(a)	Except to the extent governed by the U.S. trademark laws or the franchise laws of any state, Arizona law applies (subject to state law).

ITEM 18 PUBLIC FIGURES

There are no public figures that own an interest in or that are involved in the sale or promotion of Frank 7 Furter’s franchises.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Lyle Myers, Chief Development Officer, Frankfurters Franchising LLC, 4250 N Drinkwater Blvd, Suite #165, Scottsdale, Arizona 85251, and 888-303-3399, the Federal Trade Commission, and the appropriate state regulatory agencies.

Table 3
Status of Franchised Outlets For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
All States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

*There are three (3) franchised Frank & Furter’s restaurants that opened in California in 2024.

Table 4
Status of Affiliate owned Outlets For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table 5
Projected Openings as of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Arizona	0	3	0
California	0	4	0
Florida	0	1	0
Texas	0	2	0
Totals	0	10	0

The above tables provide information about the Restaurants in our franchise system. As of ~~the date of this Disclosure Document~~ April 10, 2024, and as currently reflected in Exhibit L attached, we do not have any

franchisees operating Restaurants or former franchisees that have departed our franchise network during our prior fiscal year. Therefore, no franchisees had an outlet terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement, during our last fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees may be required to sign provisions restricting their ability to speak openly about their experience with Frank & Furter's System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

If you are purchasing a company-owned outlet from one of our affiliates that was previously owned by a franchisee but is now owned and operated by our affiliate, or us we will provide you with an addendum to this Disclosure Document disclosing additional information for that outlet.

There are no trademark-specific franchisee organizations associated with the franchise system being offered under this Disclosure Document that have been created, sponsored, or endorsed by us.

ITEM 21 FINANCIAL STATEMENTS

Franchisor has not been in business long enough to provide the financial statements generally required by this Item. Attached as Exhibit **DJ** is an audited opening balance sheet for Frankfurters Franchising LLC dated January 31, 2024. Franchisor's fiscal year end is December 31.

ITEM 22 CONTRACTS

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following and identified as Exhibits:

Exhibit	Agreement
C	Franchise Agreement
D	Development Agreement
E	EFT Preauthorization
F	Form of General Release
G	Franchisor Lease Addendum
I	State Specific Disclosures and Addendums to Franchise Agreement
K	Franchisee Questionnaire
N	Receipts

ITEM 23 RECEIPTS

Exhibit M to this Disclosure Document includes detachable Receipts acknowledging that you received this Disclosure Document. Please return one Receipt to Frankfurters Franchising, LLC and retain the other for your records. If you are missing these Receipts, please contact us at this address or telephone number:

Frankfurters Franchising LLC
 4250 N Drinkwater Blvd, Suite #165
 Scottsdale, Arizona 85251
 Lyle Myers
 franchise@frank-furters.com

Franchise Agreement

THIS **FRANCHISE AGREEMENT** (“Agreement”) is made and entered into as of _____ (“Effective Date”) by and between **Frankfurters Franchising LLC**, a Delaware limited liability company (“Frankfurters Franchising,” “Franchisor” “we,” “us,” or “our”), and **FRANCHISEE** (“you” or “your” or “Franchisee”).

1. PREAMBLES.

(A) We and our parent and affiliates have invested considerable time, effort, and money to develop a unique system (“System”) for the operation of businesses under the name “Frank & Furter’s” that operate restaurants that offer freshly prepared, cooked to order, high quality hot dogs, sausages, and burgers with a variety of toppings as well as fresh cut fries, shakes, and other foods and beverages including wine and beer where permitted by law on an eat-in or take out basis in a family friendly warm, and lively environment (each a “Restaurant”).

(B) The distinguishing characteristics of the System include, without limitation, our current and subsequently developed interior and exterior design, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphics and designs, signs, quality of food products, recipes, menu items, menu design, vendor lists, -and inventory; procedures for operations; proprietary computer software; quality and uniformity of services and products offered, staff and customer recruitment and retention programs, local, regional and national events, procedures for training and assistance, advertising and promotional programs, and business formats, methods, procedures, designs, layouts, standards, and specifications, which we may change, improve and further develop from time to time.

(C) We identify the System by the “Frank & Furter’s,” name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols, and designs (collectively, “Marks”), which we have designated, or may in the future designate, for use with the System. The Marks are owned by our Parent, Frankfurters Inc. (“Frankfurters Inc.”) and licensed to us for use by the System.

(D) You would like to obtain a license to use the System and the Marks and to operate a franchised Restaurant at the location specified in Exhibit 1 (“Premises”), subject to the terms and conditions of this Agreement and in strict compliance with the high and uniform standards of quality, operations and service established by us for the System (“System Standards”).

(E) You acknowledge the importance of the System Standards and the necessity of developing and operating your Restaurant in strict conformity with this Agreement, the System Standards, and the Restaurant operations manual (“Manual”).

(F) We are willing to grant you the opportunity to develop and operate a Restaurant at the Premises, subject to the terms and conditions of this Agreement.

2. GRANT OF FRANCHISE.

(A) Grant. Subject to the terms of this Agreement, we grant you a license (“Franchise”) to operate a Restaurant at the Premises and to use the System and Marks in the operation of a Restaurant. If you have not identified and received our approval of the Premises before you sign this Agreement, the Premises will be identified and included on Exhibit 1 as described in Section 5(A).

(B) Relocation. You may not operate your Restaurant at any site other than the Premises and you may not relocate your Restaurant without our prior written consent, which may be withheld by us in

we believe that the site meets our then-current site selection criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site we approve fails to meet your expectations. You acknowledge and agree that: (a) your submission of a proposed site for our acceptance is based on your own independent investigation of the site's suitability for your Restaurant; and (b) our site-selection assistance is primarily for our benefit to assure us that we will have a minimally acceptable site upon the expiration or termination of this Agreement.

(8) Once you select a Premises for your Restaurant, your rights with respect to the Site Selection Area shall terminate and your rights shall be limited to the Protected Area.

(B) Lease of Premises.

(1) If you propose to lease or sublease the Premises for your Restaurant, you must provide us with a copy of the Lease for the Premises (for a term, including renewal terms, for at least the Initial Term) no less than 10 days before you intend to execute the Lease for the site of your Restaurant. The Lease must not contain any covenants or other obligations that would prevent you from performing your obligations under this Agreement. Unless waived in writing by us, any Lease must contain provisions that satisfy the following requirements during the entire term of the Lease, including any renewal terms:

(a) The initial term of the Lease must be no less than ten (10) years.

(b) The property owner ("Landlord") consents to your use of the proprietary signs and the Marks prescribed by us, and upon the expiration or earlier termination of the Lease, consents to permit you, at your expense, to remove all such items, so long as you make repairs to the Premises caused by such removal.

(c) The Landlord agrees to provide us (at the same time it is sent to you) a copy of all amendments, assignments, and notices of default pertaining to the Lease and the Premises.

(d) The Landlord agrees that it will not lease any space in the shopping center or other center in which the Restaurant is located to a business that generates more than 25 percent (25%) of its sales from the sale of hot dogs, sausages, burgers, fries, and -shakes.

(e) We will have the right to enter the Premises to make any modifications or alterations necessary to protect the System and the Marks, to cure, within the time periods provided by the Lease, any default under the Lease, all without being guilty of trespass or other tort, and to charge you for any related costs.

(f) The Landlord agrees that you will be solely responsible for all obligations, debts, and payments under the Lease.

(g) The Landlord agrees that, following the expiration or earlier termination of this Agreement, you will have the right to make those alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from a Restaurant and also make those specific additional changes as we may reasonably request for that purpose. The Landlord also agrees that, if you fail to make these alterations and modifications within 10 days after the expiration or earlier termination of this Agreement, we will have the right to do so without being guilty of trespass or other tort so long as we make repairs to the Premises caused by such removal.

(h) The Landlord agrees not to amend or otherwise modify the Lease in any manner that would affect any of the foregoing requirements without our prior written consent, which consent will not be unreasonably withheld.

(i) The Landlord enters into our form of Lease Addendum (Exhibit G hereto), which among other things grants us or our designee the right, without payment of any assignment fee or similar charge or increase in any rentals payable to the Landlord, to assume your Lease upon a default of the Lease or this Agreement.

(2) You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Restaurant operated at the Premises. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria.

6. CONSTRUCTION OF YOUR RESTAURANT.

(A) Construction Plans.

(1) Restaurant Floor Plan Design. Subject to your payment of the Restaurant Design Fee (See Section 7(D)), upon receipt from you of completed pre-construction forms and as-built drawings of the site, we shall provide to Franchisee a Restaurant floor plan design for the Restaurant containing floor plan, demising and interior wall locations, flooring specification, ceiling specification, furnishing, fixture, and equipment location and specification (hereby known as "Restaurant Design"). Franchisee will receive Franchisor's design requirements, including building specifications (locations of walls, counters, retail displays, fixtures, and equipment) (the "Restaurant Design"). We do not represent or warrant that the Restaurant Design will comply design compliance with applicable laws, including the Americans with Disabilities Act ("ADA"). Franchisee shall, at its sole cost and expense, ensure that the Restaurant Design complies with all applicable laws (including the ADA), and shall obtain any required architectural seals, engineering seals and other required approvals. The cost of any leasehold improvements, equipment, fixtures and displays, and of any architectural and engineering drawings, are Franchisee's sole responsibility.

(2) You must retain an approved architect to develop construction drawings of your Restaurant. Required stamped drawings include architectural, mechanical, plumbing, and electrical plans. In addition, you must obtain structural and fire protection and any other plans as may be required by your state and local agencies.

(3) You agree to send to us, upon our request, construction plans and specifications or other plans for our review before you begin constructing your Restaurant and all revised or "as built" plans and specifications during construction. We may require you to use an approved architect and/or general contractor to design and construct your Restaurant. We may inspect the Premises while you are developing your Restaurant.

(B) Development of your Restaurant. You agree to do the following, at your own expense, to develop your Restaurant at the Premises:

(1) secure all financing required to develop and operate your Restaurant.

(2) procure insurance coverage for your activities under this Agreement as required by Section 12(J) and the Manual.

(3) obtain all required building, utility, sign, health, sanitation, occupancy, business, and other permits and licenses.

(U) If Franchisee fails to deliver or provide to Franchisor any statement, report or other document or information required to be delivered (for example, certificates of insurance and financial statements), by the applicable deadline, Franchisee will be assessed a \$250 late charge per delinquent statement, document or other information per week, or part thereof (until each delinquent statement, document or other information has been delivered or provided), which amount may be increased by Franchisor from time to time.

(V) Right of Offset. Franchisor shall have the right to offset any amount owed by Franchisee to Franchisor and/or its affiliates under or in connection with this Agreement against any payments owed by Franchisor to Franchisee under this Agreement or any related agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and applicable law.

8. RECORDKEEPING AND REPORTS.

(A) Recordkeeping. You must keep and maintain, in accordance with any procedures that we prescribe in the Manual or otherwise, complete accurate books and records pertaining to your Restaurant sufficient to fully report to us. We reserve the right to require that you maintain a fiscal year different than the calendar year and one that is consistent with our fiscal year. You agree that we are authorized to use computerized data capture and retrieval systems that meet our specifications and that all data collected by our data capture and retrieval systems shall belong to us.

(B) Reports and Financial Statements. You must, at your expense, submit to us, in the form prescribed by us, financial and operational reports and records at the times and in the manner specified in the Manual. You also must submit to us, in the form prescribed by us, a profit and loss statement and balance sheet for your Restaurant within 60 days after the end of each fiscal year (as defined by us from time to time). You must sign each report attesting that it is true, correct, and complete and, with respect to the profit and loss statement, uses accounting principles applied on a consistent basis that accurately and completely reflect your financial condition. We may disclose data derived from your reports, however, upon receipt of a written request from you or if required by law, we will not disclose your identity in any materials that we circulate publicly. If, in our reasonable judgment, your reports are deficient in substance or presentation, we may require that you submit to us year-end financial statements prepared by an independent accountant and/or copies of your federal, state, and local income tax returns.

(C) Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, you must, at your expense, submit to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by you to be true, correct, complete and accurate) and copies of any press releases you may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

(D) Our Right to Audit.

(1) We have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy and audit your books, records, sales, and income tax records and returns, and such other forms, reports, information, and data as we may reasonably designate, applicable to the operation of your Restaurant (an "Audit"). If any Audit discloses an understatement of Net Sales of your Restaurant, you agree to pay to us, within 10 days after receiving the Audit report, the Royalty Fees, and Advertising Fund contributions due on the amount of the understatement, plus any interest on the understated amounts from the date originally due until the date of payment. If any Audit discloses that you have not expended the greater the requires amount of your Net Sales on local store marketing (which amount may be modified by us from time to time in accordance with Section 9(B)), you shall contribute to the Advertising Fund any amounts that you should have expended to reach the local advertising requirement within 30 days after

(E) General Manager. Your General Manager must devote full time and best efforts to the management and supervision of your Restaurant. The General Manager must successfully complete and be certified in our training programs. If the General Manager no longer qualifies as such, you must designate another qualified person to function as General Manager within 30 days after the date the prior General Manager ceases to be qualified. Your designee to become the General Manager must successfully complete and be certified by us in the initial training program and any additional training that we require within 30 days after being designated as your General Manager.

15. TRANSFER BY US. We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent. After our transfer or assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

16. TRANSFER BY YOU

(A) Transfer Generally. You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual or Entity which directly or indirectly controls you may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, this Agreement, the Franchise, your Restaurant, the Assets of your Restaurant, the Premises, the Lease or any other assets pertaining to your operations under this Agreement (collectively "Transfer") without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent will have no effect with regard to us and will constitute a material breach of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the breach.

(B) Conditions for Approval of Transfer.

(1) You must advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer. Along with that required information, you must pay us a transfer fee of \$10,000 ("**Transfer Fee**"). The Transfer Fee is non-refundable, however, if the proposed Transfer transaction does not close, then we shall apply the Transfer Fee against the transfer fee for any subsequent Transfer that you close within the 12-month period following your initial Transfer application. If we do not exercise our right of first refusal (as stated in Section 16(G)), the decision as to whether or not to approve a proposed Transfer will be made by us in our sole discretion and will include numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following:

(2) the proposed transferee meets our then-current standards for new franchisees and has sufficient business experience, aptitude, and financial resources to operate your Restaurant.

(3) you have paid all amounts owed to us, our affiliates, and third-party vendors and suppliers, have submitted all required reports and statements, and are not in violation of this Agreement.

(4) neither the proposed transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competing Business (as defined in Section 18(B)).

(G) Limitations of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of your Restaurant, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(H) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates, and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

28. MISCELLANEOUS

(A) Gender and Number. All references to gender and number will be construed to include such other gender and number as the context may require.

(B) Captions. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

(C) Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original.

(D) Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted will be the day or month of the designated action, event, or notice. Days will be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically will be extended to the next day that is not a Saturday, Sunday, or national holiday.

(E) Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

(F) Terrorist and Money Laundering Activities. Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of their affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at <https://ofac.treasury.gov>) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text —available at <https://archive.epic.org/privacy/terrorism/hr3162.html>), U.S. Executive Order 13224 (text currently

(H) you have read this Agreement and understand and accept that this Agreement’s terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Restaurant, and to protect and preserve the goodwill of the Marks.

(I) you understand we may license others to operate businesses that offer hot dogs, sausages, and burgers with a variety of toppings as well as fresh cut fries, shakes, and other foods and beverages including wine and beer at restaurants and other businesses with similar and different names and marks, and these businesses may operate in the Restricted Area (as such term is defined in Section 18(B)) to your Restaurant;

(J) we have not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors.

(K) you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Restaurant franchise opportunity, and that we have not refused to answer any questions, inquiries, or requests.

(L) you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or chosen not to do so; and

(M) we may modify the offer of our franchise opportunity to other franchisees in any manner and at any time, and these offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: —

By: _____

Title: —

Title: _____

Date: _____

Date: _____

EXHIBIT 1

FRANCHISE INFORMATION

1. **Location of the Restaurant (the "Premises") (Sections 2(A)):** The Restaurant will be located at: at: - _____

If the Premises have not been approved in writing by us as of the Effective Date, we will insert the address of the Premises after you execute a Lease, or otherwise secure the approved site for your Restaurant.

2. **The Site Selection Area (Section 5(A)):** If the Premises have not been determined as of the Effective Date, we will identify the Site Selection Area on a map attached to this Exhibit 1. Your rights in the Site Selection Area are subject to the limitations described in Section 5 of the Franchise Agreement. Any boundaries contained in the description of the Site Selection Area will be considered fixed as of the Effective Date and shall not change notwithstanding a change in those boundaries and will terminate immediately, without any further action, upon your identification of a Premises for your Restaurant.

3. **The Protected Area is reflected on a map titled PROTECTED AREA attached to this Exhibit 1.**

4. **The Initial Franchise Fee (Section 7(A)):**

FRANCHISEE

By: _____

Title: _____

Date: _____

EXHIBIT 3
AGREEMENT TO BE BOUND AND TO GUARANTEE

This Agreement to Be Bound and to Guarantee (**Agreement**), dated as of the date stated at the end of this Agreement, executed by the guarantors identified in Section 19 of this Agreement (each a “**Guarantor**”) in favor of **Frankfurters Franchising LLC**, doing business as **Frank & Furter’s** (“**Franchisor**”).

WHEREAS, as an inducement for Franchisor to execute and deliver, and to perform its obligations under, that certain Franchise Agreement (“**Franchise Agreement**”), dated as of the date stated in Section 19 of this Agreement, by and between Franchisor and the Franchisee identified in Section 19 of this Agreement (“**Franchisee**”), Guarantor has agreed to jointly and severally guarantee the obligations of Franchisee to Franchisor and its affiliates (including, without limitation, obligations under the Franchise Agreement (and the assignment of concession agreement, if applicable) executed in connection therewith) and to be bound by certain of the provisions contained in the Franchise Agreement.

WHEREAS, Guarantor owns, directly or indirectly, a 20% or greater equity interest in Franchisee.

WHEREAS, Guarantor acknowledges and agrees that Franchisor will materially rely upon Guarantor’s obligations under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the execution and delivery of the Franchise Agreement by Franchisor, and the performance of Franchisor’s obligations thereunder, Guarantor agrees, for the benefit of Franchisor and its affiliates, as follows:

1. Guaranty. Guarantor unconditionally guarantees and promises to pay to Franchisor and/or its affiliates and to perform, for the benefit of Franchisor and/or its affiliates, on demand, any and all obligations and liabilities of Franchisee in connection with, with respect to or arising out of the Franchise Agreement as well as any other agreements executed by Franchisee in conjunction with the Franchise Agreement, if applicable, executed in connection therewith and/or any other agreement with Franchisor or its affiliates.

2. Confidentiality.

(A) Guarantor acknowledges that Franchisor is engaged in a highly competitive business, the success of which is dependent upon, among other things, trade secrets and other confidential and proprietary information, processes, materials and rights relating to the development, promotion and operation of the Restaurant -(as defined in the Franchise Agreement), including, without limitation, Franchisor’s Manual, method of operation, processes, techniques, formulae and procedures (collectively, the “Proprietary Information”). Guarantor further acknowledges that the Proprietary Information constitutes valuable trade secrets.

(B) Guarantor agrees not to use for any purpose or disclose or reveal (and must cause all of Franchisee’s directors, officers, and employees not to use for any purpose, or disclose or reveal), during the term of this Agreement or forever thereafter, to any person any contents of Franchisor’s Manual, any Proprietary Information or any other information relating to the operation of the Restaurant. Guarantor must fully and strictly comply with all security measures prescribed by Franchisor for maintaining the confidentiality of all Proprietary Information.

(C) Guarantor acknowledges that to breach her or her obligations under this Section 2 would cause damage to Franchisor and to Franchisor’s other franchisees and that Guarantor would be liable for this damage.

**ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to Frank & Furter’s Franchise Agreement dated _____ (“**Franchise Agreement**”) between FRANKNFURTERS FRANCHISING LLC and _____ (“**you**”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of the franchise to you was made in the State of Illinois; (B) you are a resident of the State of Illinois; and/or (C) the Restaurant will be located or operated in the State of Illinois.

2. The following sentence is added at the end of Section 27(B) of the Franchise Agreement:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Section 27(C) of the Franchise Agreement:

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

4. The following sentence is added at the end of Section 27(G) of the Franchise Agreement:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added as a new Section 31 of the Franchise Agreement:

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

6. Your rights upon termination and non-renewal of a Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~7. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.~~

~~8.7. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This provision supersedes any other term of any document executed in connection with the franchise.~~

**ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to Frank & Furter’s Franchise Agreement dated _____ (“**Franchise Agreement**”) between FRANKNFURTERS FRANCHISING LLC and _____ (“**you**”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Maryland; (B) you are a resident of the State of Maryland; and/or (C) the Restaurant will be located or operated in the State of Maryland.

2. The following sentence is added to Section 7(A) of the Franchise Agreement:

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.

~~2.3.~~ The following sentence is added to the end of Sections 16(B)(9) and 17 of the Franchise Agreement:

All representations requiring you 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.

~~3.4.~~ The following sentence is added to the end of Sections 19(B)(4) of the Franchise Agreement:

Notwithstanding the foregoing, termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce this provision to the maximum extent the law allows.

~~4.5.~~ The following sentence is added to the end of Section 27(B) of the Franchise Agreement:

Notwithstanding the foregoing, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

~~5.6.~~ The following sentence is added to the end of Section 27(C) of the Franchise Agreement:

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

~~6.7.~~ The following sentence is added to the end of Section 27(G) of the Franchise Agreement:

This limitation of claims provision shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law, which claim must be brought within 3 years after the grant of the franchise.

~~7.8.~~ The following sentence is added to the end of Section 27(D) of the Franchise Agreement:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this Agreement 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. Section 30 of the Franchise Agreement is deleted in its entirety.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~8.~~11. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

~~9.~~12. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

FRANKNFURTERS FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title _____

Title _____

Date _____

Date _____

that default and/or to specific performance. A court will determine if a bond or security must be posted.

19. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

~~20. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.~~

20. 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. This provision supersedes any other term of any document executed in connection with the franchise.

21. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

FRANKNFURTERS FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title _____

Title _____

Date _____

Date _____

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

FRANKNFURTERS FRANCHISING LLC an **FRANCHISEE:**
Arizona limited liability company

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

(a) Except as stated in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in writing, signed by the parties, and specifying with particularity the nature and extent of the amendment, modification, or waiver.

(b) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of his, her or its rights under this Agreement. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

13. Indemnification. Franchisee agrees to indemnify, defend, and hold harmless Franchisor, its affiliates, and Franchisor's and their respective affiliates, shareholders, members, managers, directors, partners, officers, employees, agents, successors, and assignees (the "***Indemnified Parties***") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Restaurant's operation, employment matters in connection with the Restaurant, the business Franchisee conducts under this Agreement, or Franchisee's breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. Franchisee agrees to give Franchisor and the Indemnified Parties written notice of any action, suit, proceeding, claim, demand, inquiry, or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within three (3) days of Franchisee's actual or constructive knowledge of it. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. Franchisee agrees to give its full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys' fees, within ten (10) days of the date of each invoice delivered by the Indemnified Parties to Franchisee enumerating such costs, expenses and attorneys' fees.

14. Entire Agreement. This Agreement, including the exhibits, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the exhibits is incorporated in this Agreement by this reference and constitutes a part of this Agreement.

15. Terminology. All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

16. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

17. DelawareArizona Law to Govern; Jurisdiction; Right to Jury Trial and Class Action Waived; Certain Damages Waived.

(a) This Agreement will be governed by, and construed and enforced in accordance with, the law of Delaware, regardless of any conflict-of-law provisions to the contrary; provided, however, that any law of the State of Delaware that regulates the offer or sale of franchises or business opportunities or

governs the relationship between a franchisor and its franchisees, will not apply unless its jurisdictional requirements are met independently without reference to this Section.

(b) Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in Delaware, and each party consents to the jurisdiction of those courts.

(c) Franchisee hereby waives the right to a jury trial, waives the right to initiate or participate in a class action in any forum and waives the right to seek or collect punitive, consequential, and special damages in any forum.

18. Attorneys' Fees. In the event of any claim, controversy or dispute arising out of or relating to this Agreement, or the default thereof, the prevailing party may recover reasonable attorneys' fees incurred in connection with any proceeding.

19. Construction. The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and his, her or its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or any exhibits hereto or thereto.

20. Additional Actions. Each party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

21. Computation of Time. Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under ~~Delaware~~Arizona law, the party having that privilege or duty will have until 5:00 p.m. Delaware time, on the next succeeding regular business day to exercise that privilege or to discharge that duty.

22. Currency. Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars and deposited in the bank account specified by the recipient. Computation of any amounts to be paid which require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange.

23. Authority. Any individual signing below on behalf of a corporation, partnership, Limited Liability Company, or other entity personally represents that he has full authority to bind the party or parties on whose behalf he is signing.

24. Terrorist and Money Laundering Activities. Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13224 (text currently available at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror

against any person or government. Franchisee further agrees that he will immediately notify Franchisor of the occurrence of any event, or the development of any circumstances, which might render any of the foregoing representations or warranties to be false, inaccurate, or misleading.

25. Acknowledgement of Franchisee. Franchisee acknowledges that, except as expressly set forth in the Disclosure Document delivered to Franchisee, neither Franchisor, nor anyone acting on behalf of Franchisor, has made any claims or representations whatsoever regarding potential sales, profits, or earnings achievable by Franchisee in connection with the conduct of the Franchised Businesses. Franchisee acknowledges that he has been informed and he understands that the successful operation of the Franchised Businesses will depend primarily upon the efforts, capabilities and management skills of Franchisee and general economic conditions and trends. Franchisee acknowledges and confirms that he has selected, or will select, the premises on which the Franchised Businesses will be established and operated by him, and that the decision to establish and operate the Franchised Businesses in those premises was, or will be, made solely by him, without any reliance upon any information provided (if any), recommendation made (if any) or approval given (if any) by Franchisor, its Affiliates or any of their respective shareholders, directors, officers, employees, representatives or agents. Franchisee accepts full responsibility for the consequences of his decision.

26. Dispute Resolution.

(a) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. This Section 26(a) will not bar you or us from obtaining judicial or injunctive relief for claims that are based solely on demands for monies owed, or from obtaining injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(b) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Arizona, without regard to its conflict of laws rules.

(c) Consent to Jurisdiction and Venue. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your Restaurant is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(d) Waiver of Certain Damages and Rights. You and we waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between us, we each will be limited to the recovery of actual damages sustained. You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

(e) Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel

employed by us) in connection with any failure by you to comply with this Agreement, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(f) Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 26 shall survive the expiration or earlier termination of this Agreement.

(g) Limitations of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of your Restaurant, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(h) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates, and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

SCHEDULE A TO DEVELOPMENT AGREEMENT INFORMATION SHEET

If Franchisee is any entity, identify:

Type of entity: _____

State of organization: _____

Title of signatory: _____

If an individual, identify state of residence and domicile: _____

Address: _____

Email Address: _____

Person who will supervise the Franchised Business: _____

Address: _____

Email Address: _____

Telephone Numbers: (H) _____

(O) _____

(C) _____

Principals of Franchisee (Shareholders, Partners, Members, Etc.--Total MUST equal 100%)

<u>Name</u>	<u>% Ownership</u>
_____	_____
_____	_____
_____	_____
_____	_____

Number of Restaurants Included with Development Agreement	_____
Development Fee:	_____

_____(Franchisee Initials)

RELEASE

A. Frankfurters Franchising LLC, a Delaware limited liability company("Franchisor"), and the undersigned ("Franchisee"), or one or more of Franchisee's Affiliates (as defined below) have signed the Development Agreement and/or one or more Franchise Agreements pursuant to which Franchisor has granted Franchisee an option to establish and operate additional Restaurants.

B. One of the conditions precedent to Franchisee's right to establish and operate the additional Restaurants is the signing and delivery by Franchisee of a general release of Franchisor and its Affiliates.

C. Franchisee or one of his Affiliates desires to establish and operate an additional Restaurants and to exercise its rights under the Development Agreement in connection therewith.

AGREEMENT

IN CONSIDERATION OF Franchisor's agreeing to grant Franchisee or one of his Affiliates a franchise to establish and operate Restaurants in accordance with the Development Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Franchisee, on behalf of Franchisee and his Affiliates and their respective shareholders, members, directors, officers, employees, representatives and agents (collectively, the "Franchisee Parties"), hereby releases, discharges and acquits Franchisor and Sublessor and their Affiliates and their respective shareholders, members, directors, employees, representative and agents (collectively, the "Franchisor Parties") for, from and against any and all claims, demands and causes of action (whether now existing or hereafter arising, known or unknown) that any of the Franchisee Parties now has or may in the future have against any of the Franchisor Parties that resulted, result or may result from, arise out of or relate to the Franchise Agreements, offering and sale of the Restaurant® franchise thereby, the establishment and operation of the Franchisee Parties' Restaurants® and/or the relationship among the Franchisor Parties and the Franchisee Parties in connection with any of the foregoing.

2. For purposes of this Release, the term "Affiliate" means any person or entity controlling, controlled by or under common control with another person or entity.

3. This Release is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXECUTED as of the date first set forth above.

[Name of Franchisee]

By: _____

Name: _____

Title: _____

~~CALIFORNIA~~ **ADDENDUM TO DEVELOPMENT AGREEMENT FOR CALIFORNIA
RESIDENTS AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN
CALIFORNIA ONLY**

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

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

If any of the provisions of the Franchise Agreement concerning termination are inconsistent with either the California Franchise Relations Act or with the Federal Bankruptcy Code (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

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. This provision supersedes any other term of any document executed in connection with the franchise.

The Franchise Agreement requires that it be governed by Arizona law. This requirement may be unenforceable under California law.

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

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

**ILLINOIS-ADDENDUM TO DEVELOPMENT AGREEMENT FOR ILLINOIS RESIDENTS
AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN ILLINOIS ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between **Frankfurters Franchising LLC, a Delaware limited liability company** ("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee is amended as follows:

1. Sections 14(a) and (b) of the Development Agreement will be revised to read as follows:
 - (a) This Agreement will be governed by, and construed and enforced in accordance with, the law of Illinois, regardless of any conflict-of-law provisions to the contrary.
 - (b) In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
2. Section 41 of the Illinois Franchise Disclosure Act provides that 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.
3. Your rights upon termination and non-renewal are set forth in the Section 19 and 20 of the Illinois Franchise Disclosure Act.
4. ~~Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its initial obligations to Franchisee and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's current financial condition.~~

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. This provision supersedes any other term of any document executed in connection with the franchise.

5. The following is added to the Entire Agreement of the Area Development Agreement:

~~Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations we made in the latest Franchise dDisclosure dDocument, that we furnished to you its exhibits and amendments.~~

The undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR INDIAN A RESIDENTS AND
FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN INDIANA ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between **Frankfurters Franchising LLC, a Delaware limited liability company** ("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

1. Indiana law prohibits Franchisor from requiring Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed pursuant to the Indiana Deceptive Franchise Practices Act or requiring any controversy between Franchisee and Franchisor to be referred to any person, if referral would be binding upon Franchisee. Such prohibition does not apply to arbitration before an independent arbitrator.

2. Indiana law prohibits Franchisor from limiting litigation brought for default of the terms of the Development Agreement.

3. Indiana law may prohibit Franchisor from designating ~~Delaware~~Arizona law to govern the Development Agreement. If it is so construed, Indiana law will govern the Development Agreement.

The undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR MARYLAND RESIDENTS AND
FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN MARYLAND ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between **Frankfurters Franchising LLC, a Delaware limited liability company** ("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

~~1.~~ That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. The following is added to Section 2 of the Development Agreement:

All Development Fees and initial payments by Developer shall be deferred until the first franchise under the Development Agreement opens.

2. The provisions of Section 17 are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Section ~~24~~25 of the Development Agreement "Acknowledgement of Franchisee" is deleted in its entirety.

4. Pursuant to the Maryland Franchise Registration and Disclosure Law, litigation arising out of the Development Agreement may be conducted in Maryland.

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

6. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

The undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR MINNESOTA RESIDENTS AND
FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN MINNESOTA ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between **Frankfurters Franchising LLC, a Delaware limited liability company** ("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. The provisions of Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.440J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Development Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
2. Section 17(c) of the Development Agreement will be deleted. The undersigned does hereby acknowledge receipt of this Addendum.
3. 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. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

ADDENDUM TO DEVELOPMENT AGREEMENT FOR NORTH DAKOTA RESIDENTS AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN NORTH DAKOTA ONLY

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between Frankfurters Franchising LLC, a Delaware limited liability company("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. Section 17 of the Development Agreement is subject to the following: (a) litigation may be conducted in North Dakota, (b) North Dakota law will govern the Development Agreement and (c) paragraph 17(c) will be deleted.

The undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

ADDENDUM TO DEVELOPMENT AGREEMENT FOR SOUTH DAKOTA RESIDENTS AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN SOUTH DAKOTA ONLY

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial; payments by area developers shall be deferred until the first franchise under the development agreement opens.

FRANKNFURTERS FRANCHISING LLC an **FRANCHISEE:**
Arizona limited liability company

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR VIRGINIA RESIDENTS AND
FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN VIRGINIA ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between Frankfurters Franchising LLC, a Delaware limited liability company("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. The following language is added to the Development Agreement.

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the Development fees owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.”

2. 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 undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____.

FRANKFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

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

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

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

FRANKNFURTERS FRANCHISING LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: - _____

Title: _____

Address: _____

Address: _____

Exhibit H
Table of Contents of Confidential Operations Manual



Table Of Contents – Frankfurters Franchising LLC Franchise Operations Manual

Introduction.....	1
• The Purpose of the Manual.....	4
• How To Use the Manual.....	4
• The Frank & Furter’s Brand Purpose	5
• The Frank & Furter’s Brand Promise.....	6
• The Frank & Furter’s Values.....	8
• The Leadership Team.....	9
The Franchisee and Franchisor Relationship	11
• Creating Your Business Entity	12
○ Naming and Identification	13
○ Tax Identification Numbers.....	13
• Independently Owned And Operated.....	14
• Your Obligations	15
• Audits and Inspections.....	15
• Post-Opening Obligations.....	16
• Pre-Opening Obligations.....	18
• Pricing.....	20
• Training.....	21
• Our Responsibilities.....	23
Brand Guidelines	
• Advertising Fund.....	24
• Grand Opening	24
• Marketing – Local Store Marketing Requirements	25
• Proper Use of Trademarks.....	26
• Social Media.....	27
• Style Guide – Fonts - Logos	28
• Website – Microsites	30
Crisis Management	
• Crisis Preparedness Handling Initial Media Queries.....	31
• Media Inquiries	32
• Foodborne Illness Incident Report.....	33

STATE SPECIFIC DISCLOSURES

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES

REQUIRED BY THE STATE OF CALIFORNIA, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, VIRGINIA, AND WISCONSIN

No Waiver of Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Illinois, Indiana, Maryland, Michigan, Virginia, or Wisconsin:

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAY PRIOR TO EXECUTION OF AGREEMENT.

OUR WEBSITE, <https://www.frank-furters.com/>, -HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIONS. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIONS AT WWW.DFPL.CA.GOV.

COVER PAGE, RISK FACTOR:

Spousal Liability: Your spouse will be liable for all financial obligations under the franchise agreement even though 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.

ITEM 3, LITIGATION.

The following statement is added to Item 3:

Neither Franchisor nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange

Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

ITEM 6, OTHER FEES.

The highest interest rate allowed in California is ten percent (10%) per annum.

ITEM 17, ADDITIONAL DISCLOSURES.

The following statements are added to Item 17:

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

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division

You must sign a general release if you transfer or renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF ILLINOIS**

1. Illinois law governs the agreements between the parties to this franchise.
2. ~~The following is added to the Special Risks to Consider About This Franchise page of the Disclosure Document as additional Risk Factors:~~

~~**Short Operating History.** This Franchisor is at an early stage of development and has a limited~~

~~operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.~~

~~**Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that 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 franchised business.~~

3. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement or development agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

43. Section 41 of the Illinois Franchise Disclosure Act provides that 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 that Illinois is void.

~~54. The conditions under which your Franchise Agreement and/or Development Agreement to the Franchise Agreement can be terminated and~~ Your rights upon nonrenewal may be affected by Termination and Non-Renewal of an agreement are set forth in ~~S~~sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~6. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.~~

75. For info about obtaining a liquor license in Illinois, see: <https://www2.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx>

86. For info about obtaining TIPS certification. in Illinois, see: <https://www.tipscertified.com/tips-state-pages/illinois/>

7. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

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

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF INDIANA

1. The laws of the State of Indiana supersede any provisions of this Disclosure Document, the Franchise Agreement, the Development Agreement to the Franchise Agreement, the other agreements, or Arizona law if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.701(7) against unilateral termination of the Franchise Agreement and/or Development Agreement to the Franchise Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement and/or Development

Agreement to the Franchise Agreement, shall supersede the provisions of Section 16 of the Franchise Agreement and/or Section 8 of the Development Agreement to the Franchise Agreement in the state of Indiana, but only to the extent that they may be inconsistent with such prohibition.

3. Notwithstanding anything in the contrary in the Franchise Agreement and/or Development Agreement to the Franchise Agreement, you recognize that in the event of any use of the System not in accord with such agreement, we shall be entitled to injunctive and other relief.

4. No release language set forth in the Disclosure Document, Franchise Agreement, or Development Agreement to the Franchise Agreement, including but not limited to Item 17, or Sections 16(B)(9) and 17 of the Franchise Agreement respectively, shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

5. Section 27(B) of the Franchise Agreement is amended to provide that the Franchise Agreement will be construed in accordance with the laws of the State of Indiana.

6. Any provision in the Disclosure Document, the Franchise Agreement, or Development Agreement to the Franchise Agreement which designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.

7. The second sentence of Section 27(D) (Waiver of Certain Damages and Rights) of the Franchise Agreement is deleted from all agreements entered into in Indiana.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND

Item 5, Initial Fees. The following statement is added to Item 5:

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.

In addition, all development fees and initial payments by Developer shall be deferred until the first franchise under the Development Agreement opens.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring you to sign a general release of claims against franchisor, including upon signing the franchise and renewal or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The franchise agreement and development agreement rider to franchise agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

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. This provision supersedes any other term of any document executed in connection with the franchise.

**FOR MICHIGAN RESIDENTS AND FRANCHISEES
WHOSE FRANCHISES WILL BE OPERATED IN MICHIGAN ONLY**

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions is in these franchise documents, it is void and cannot be enforced against you:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from setting any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

48913, and whose telephone number is (517) 373-7117.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF SOUTH DAKOTA**

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF VIRGINIA**

The following is added to Item 17 h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia 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 and/or the Development Agreement to the Franchise Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

FRANCHISEE QUESTIONNAIRE

This Questionnaire does not apply to franchises who intend to operate the franchised business in the State of California.- Do not complete this Questionnaire or respond to any of the questions contained in the Questionnaire if you intend to operate the franchised business in the State of California.

This Questionnaire should not be completed or signed and will not apply to any franchisees and franchises that are subject to the Maryland franchisees are not to sign the Questionnaire if they are a resident of Maryland, or if the business is to be operated in Maryland registration/disclosure laws.

Do not sign this questionnaire if you are a resident of the state of Washington or if the business is to be operated in the state of Washington.

As you know, Frankfurters Franchising LLC and you are preparing to enter into a Franchise Agreement for the operation of a Restaurant and/or a Development Agreement for the operation of additional Restaurants over an agreed upon period of time. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make because of the purchase and operation of your Restaurant. You must sign and date this Questionnaire the same day that you sign the Franchise Agreement. You cannot sign or date this Questionnaire the same day as the Receipt for the Disclosure Document. Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

	Question	Yes	No
1.	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
2.	Have you received and personally reviewed the Development Agreement and each exhibit or schedule attached to it?		
3.	Have you received and personally reviewed the Disclosure Document we provided?		
4.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
5.	Do you understand all of the information contained in the Disclosure Document, all of the terms of the Franchise Agreement, and all of the terms of the Development Agreement?		
6.	Have you reviewed the Disclosure Document, Franchise Agreement and Development Agreement with a lawyer, accountant, or other professional advisor?		
7.	Have you discussed the benefits and risks of developing and operating Restaurants with existing Frank & Furter’s franchisees?		
8.	Do you understand the risks of developing and operating Restaurants franchises?		
9.	Do you understand that the success or failure of your Restaurant will depend in large part upon your skills, abilities, and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
10.	Do you understand that, subject to applicable state law, any applicable		

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Frank & Furter's 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 Franchisor to provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment to, Franchisor or one of its affiliates in connection with the proposed franchise sale. Michigan requires that Franchisor provide you with this Disclosure Document at least ten business days before you sign a binding franchise or other agreement with, or make payment to, Franchisor or one of its affiliates in connection with the proposed franchise sale.

If Frank & Furter's does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency.

The franchise seller offering the franchise is:

____ - Lyle Myers, located at 4250 N Drinkwater Blvd, Suite #165, Scottsdale, Arizona 85251, 888-303-3399

____ - [name], located at _____

The issuance date for this Franchise Disclosure Document is April 10, 2024.

I have received a Disclosure Document dated April 10, 2024 that included the following Exhibits:

- | | | | |
|---|---|---|---|
| A | List of State Administrators | H | Table of Contents of Confidential Operations Manual |
| B | Franchisor's Agent for Service of Process | I | State Specific Disclosures and Addendums to Franchise Agreement |
| C | Franchise Agreement | J | Financial Statements |
| D | Development Agreement | K | Franchisee Questionnaire |
| E | EFT Preauthorization | L | Lists of Current and Former Franchisees |
| F | Form of General Release | M | State Effective Dates |
| G | Franchisor Lease Addendum | N | Receipts |

Instructions for returning the receipt: If the Disclosure Document is not delivered in person, the prospective franchisee must sign both copies of this Receipt, retaining one (1) for the prospective franchisee's records. The other copy must be sent via certified mail to Lyle Myers, Chief Development Officer, Frankfurters Franchising LLC, 4250 N Drinkwater Blvd, Suite #165, Scottsdale, AZ 85251.

Prospective Franchisee:

Prospective Franchisee:

Printed Name: _____

Printed Name: _____

Date _____

Date _____

[KEEP THIS COPY FOR YOUR RECORDS]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Frank & Furter’s 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 Franchisor to provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment to, Franchisor or one of its affiliates in connection with the proposed franchise sale. Michigan requires that Franchisor provide you with this Disclosure Document at least ten business days before you sign a binding franchise or other agreement with, or make payment to, Franchisor or one of its affiliates in connection with the proposed franchise sale.

If Frank & Furter’s does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency.

The franchise seller offering the franchise is:

___ - Lyle Myers, located at 4250 N Drinkwater Blvd, Suite #165, Scottsdale, Arizona 85251, 888-303-3399

___ - [name], located at _____

The issuance date for this Franchise Disclosure Document is April 10, 2024.

I have received a Disclosure Document dated April 10, 2024 that included the following Exhibits:

- | | | | |
|---|---|---|---|
| A | List of State Administrators | H | Table of Contents of Confidential Operations Manual |
| B | Franchisor’s Agent for Service of Process | I | State Specific Disclosures and Addendums to Franchise Agreement |
| C | Franchise Agreement | J | Financial Statements |
| D | Development Agreement | K | Franchisee Questionnaire |
| E | EFT Preauthorization | L | Lists of Current and Former Franchisees |
| F | Form of General Release | M | State Effective Dates |
| G | Franchisor Lease Addendum | N | Receipts |

Instructions for returning the receipt: If the Disclosure Document is not delivered in person, the prospective franchisee must sign both copies of this Receipt, retaining one (1) for the prospective franchisee’s records. The other copy must be sent via certified mail to Lyle Myers, Chief Development Officer, Frankfurters Franchising LLC, 4250 N Drinkwater Blvd, Suite #165, Scottsdale, AZ 85251.

Prospective Franchisee:

Prospective Franchisee:

Printed Name: _____

Printed Name: _____

Date _____

Date _____

[RETURN THIS COPY TO US]