

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The Company is a wholly owned subsidiary of Wahlburgers Holding Company LLC (“WHC”), and is a disregarded entity for income tax purposes, and accordingly, the results of operations will be reported on the parent company’s tax returns. As a result, the Company generally does not incur United States federal income taxes.

The Company accounts for uncertainties in tax positions, under the provisions of ASC 740 *Income Taxes*. Under these provisions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more than likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits in commercial banks. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Company has not experienced any losses in this account. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

See Independent Auditors’ Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Accounts Receivable

The Company considers the following factors when determining expected credit losses for receivables: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. Management believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. In the latest long-term economic projections from December 2023, the Federal Reserve forecast U.S. GDP growth slowing to 1.4% in 2024 and the U.S. unemployment rate rising to 4.1%. The Fed also projects core PCE inflation will decline to 2.4% in 2024, and it anticipates an average fed funds interest rate of 4.6% for the year. Despite this information, the Company believes all of its accounts receivable at December 31, 2023 and January 1, 2023 are fully collectible, and accordingly, no allowance for credit losses have been recorded.

Property and Equipment

Property and equipment are recorded at historical cost. Assets under development are included in construction in progress, with depreciation commencing upon placing the asset in service. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recognized in the statements of operations. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Depreciation of equipment is provided by the straight-line method over their estimated useful lives ranging from 3 to 7 years, except for leasehold improvements, which are amortized over the shorter of the terms of the related leases or their estimated useful lives.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition

The Company derives its revenues from franchise revenue, advertising fund revenue, transfer fees, and corporate owned locations.

Franchise fees and royalties

Contract consideration from franchisees primarily consist of initial or renewal franchise fees, area development fees, sales-based royalties, sales-based advertising fund fees and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company also enters into area development agreements ("ADAs") which grant a developer the right to develop two or more franchise units. The Company collects an upfront area development fee for the grant of such rights. The initial franchise fees and upfront area development fees are nonrefundable and collected when the underlying franchise agreement or ADA is signed by the franchisee. Sales based royalties and advertising fund fees are payable weekly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively. In addition to ADAs the Company enters into Master Franchise Agreements ("MFAs") and/or Multi-Unit License Agreements ("MULAs") that typically allows the Master Franchise/Master Licensee to either act as the franchisee/licensee or to sub-franchise or sub-license to other operators.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has elected to use the practical expedient for pre-opening activities and considers the following as a single performance obligation: assistance in selection of site; assistance in obtaining facilities and preparing facilities for their intended use; training of franchisee's personnel; preparation and distribution of manuals; bookkeeping, information technology, and advisory services; and inspection, testing and other quality control programs.

All other pre-opening activities have been determined to be highly interrelated and interdependent to access the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access our intellectual property over the term of each franchise agreement.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition – (Continued)

The Company estimates the standalone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees. Initial and renewal franchise fees related to the ADAs are recorded as contract receivable and contract liabilities at their contract transaction price. Master license and territory fees are dependent upon the number of restaurants in each territory and are recognized in proportionate amounts as franchisees develop and open locations in accordance with the related development schedule.

Royalties are earned based on a percentage of franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Corporate owned locations

Revenues are recognized at the time when the food and beverage sales are made to customers, net of sales tax. Additionally, the Company may charge labor to customers for corporate catering events, which is also recognized once the events are hosted. Discounts provided to customers are recognized as a reduction in sales at the time of sale.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition – (Continued)

Advertising Fund

The Company maintains an advertising fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Advertising fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has that the right to access its intellectual property and administration of the advertising fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the advertising fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When advertising fund fees exceed the related advertising fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized.

Incremental Costs of Obtaining a Contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Accounting Pronouncements Issued and Adopted

Effective January 2, 2023, the Company adopted ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Company adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Company that are subject to ASU 2016-13 include trade accounts receivable. The adoption of this ASU did not have a material impact on the Company's financial statements but did change how the allowance for credit losses is determined.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 3 REVENUE AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by geographic region and timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by geographic region were as follows:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Northeastern United States	\$ 2,285,695	\$ 2,428,623
Midwestern United States	1,426,147	2,024,932
Southern United States	823,260	1,018,019
Southwestern United States	36,367	22,423
Western United States	986,095	1,167,159
Outside of the United States	<u>137,973</u>	<u>79,404</u>
	<u>\$ 5,695,537</u>	<u>\$ 6,740,560</u>

Revenue by timing of recognition were as follows:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
<i>Point in time:</i>		
Area development and franchise fees	\$ 250,000	\$ 505,000
Royalties and management/license fees	4,552,713	5,303,918
Franchise advertising fees	635,028	756,176
Other franchise income	<u>29,796</u>	<u>42,133</u>
Total	<u>\$ 5,467,537</u>	<u>\$ 6,607,227</u>
<i>Over time:</i>		
Area development and franchise fees	<u>\$ 228,000</u>	<u>\$ 133,333</u>

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 3 REVENUE AND RELATED CONTRACT BALANCES – (Continued)

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as 'Deferred revenue' on the accompanying balance sheets. A summary of significant changes in deferred franchise fees were as follows:

Deferred franchise revenues at January 2, 2022	\$ 90,000
Revenue recognized during the year	(485,000)
Write off of fees related to termination of agreements	-
Additions for initial franchise fees received	<u>445,000</u>
Deferred franchise revenue at January 1, 2023	50,000
Revenue recognized during the year	(325,000)
Write off of fees related to termination of agreements	-
Additions for initial franchise fees received	<u>275,000</u>
Deferred franchise revenue at December 31, 2023	<u><u>\$ -</u></u>

Deferred franchise fees consisted of the following:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Franchise fees not yet opened	\$ -	\$ 50,000
Opened franchise units	<u>-</u>	<u>-</u>
	<u><u>\$ -</u></u>	<u><u>\$ 50,000</u></u>

The initial and renewal franchise fees on ADAs and MULAs that remain uncollected as of December 31, 2023 and January 1, 2023, are reflected as "Accounts receivable" in the accompanying balance sheets and the related contract liabilities are included in "Deferred revenues" in the accompanying balance sheets.

Significant changes in contract receivables and contract liabilities are as follows:

Deferred ADAs and MULAs revenues at January 2, 2022	\$ 1,490,000
Revenue recognized during the year	(53,333)
Write off of fees related to termination of agreements	(100,000)
Additions for ADAs and MULAs fees received	<u>50,000</u>
Deferred ADAs and MULAs revenue at January 1, 2023	\$ 1,386,667
Revenue recognized during the year	(53,000)
Write off of fees related to termination of agreements	(125,000)
Additions for ADAs and MULAs fees received	<u>125,000</u>
Deferred ADAs and MULAs revenue at December 31, 2023	<u><u>\$ 1,333,667</u></u>

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 4 RELATED PARTY TRANSACTIONS

Area development and franchise agreements

The Company has an area development agreement and franchise agreement with Wahlburgers Boston Developer Company, LLC (“WBDC”), an affiliate under common control. During 2023, there were \$10,000 area development and \$25,000 franchise fees recognized as income to the Company from WBDC. Accordingly, \$20,000 of ADA fees and \$30,000 of ADA fees paid by WBDC remain in deferred revenue on the accompanying balance sheets as of December 31, 2023 and January 1, 2023, respectively. Additionally, WHC is a guarantor on the lease for this affiliate for the first restaurant opened under the ADA.

Due to/from affiliates

The Company and its affiliates share employee services and other expenses with the parent company, WHC and its subsidiaries, which pay a proportionate share of the operating expenses. In addition, certain costs incurred by WHC or its affiliates to provide support to the Company and/or individual franchisees during the construction and preopening phases of the restaurant have been charged to the Company. The Company also has management and license agreements with seven associated affiliates under common control, Wahlburgers Lynnfield LLC, Wahlburgers Fenway LLC, Wahlburgers South Bay LLC, Wahlburgers Springfield LLC, WB Frisco LLC, WB Myrtle Beach, Paragon Funding Group III LLC, and Wahlburgers FXWD LLC. The affiliates pay both a management and license fee to the Company based on a percentage of sales, as defined. Management and license fees earned by the Company during the years ended December 31, 2023 and January 1, 2023 totaled \$1,090,544 and \$1,366,246, respectively, and are included in royalties and management/license fees on the statements of operations. Brand fund contribution for these affiliates totaled \$153,395 and \$161,467 for the years ended December 31, 2023 and January 1, 2023, respectively. The net amounts due from (to) affiliates noted above totaled \$725,971 and \$242,814 as of December 31, 2023 and January 1, 2023, respectively. Additionally, WHC is guarantor on the leases for the following affiliates: Wahlburgers Lynnfield LLC, Wahlburgers Fenway LLC, Wahlburgers South Bay LLC, WB Frisco LLC and Paragon Funding Group III LLC.

During 2022 the parent company, WHC, had converted amounts due from Wahlburgers Franchising LLC to capital which resulted in a reduction in due to affiliates of \$7,863,444. Due to the capital conversion, this amount is reported in the financing section of the cashflow statement.

See Independent Auditors’ Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 4 RELATED PARTY TRANSACTIONS - (Continued)

Due to/from affiliates – (Continued)

In addition, the Company has thirteen franchise agreements in which a shareholder of WHC, the parent company, is also a shareholder in the franchisee. One of these franchised locations opened during 2023. For the year ended December 31, 2023, royalties and brand fund contributions from these franchisees were \$965,942. Amounts due from these franchisees were \$233,295 as of December 31, 2023, which are included in accounts receivable.

January 1, 2023, royalties and brand fund contributions from these franchisees were \$1,257,222. Amounts due from these franchisees were \$44,505 as of January 1, 2023, which are included in accounts receivable.

NOTE 5 OPERATING LEASE LIABILITY

Wahlburgers Holding Company LLC entered into an agreement effective in June 2021 to rent office facilities for a five-year period. Wahlburgers Franchising LLC has subleased this space upon the same terms and conditions of the lease. The agreement provides for fixed monthly rental payments. the Company has elected to combine and account for lease and non-lease components as a single lease component for its leases. The components of operating lease expenses that are included in “general and administrative expenses” in the Statements of Operations for the years ended December 31, 2023 and January 1, 2023 amounted to \$79,112 and \$79,113 and the lease was discounted using a risk-free interest rate of 1.62%.

The future payments due under operating leases are as follows:

2024	\$ 79,112
2025	79,112
2026	32,966
Less effects of discounting	<u>(12,032)</u>
	<u>\$ 179,158</u>

See Independent Auditors’ Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 6 EMPLOYEE BENEFITS

The Company established the Wahlburgers 401(k) Plan (the “Plan”) effective December 30, 2018. All employees of the Company who have completed at least one year of eligibility service, as defined, and who have attained the age of 21, except employees covered by a collective bargaining agreement, leased employees, or any employee who is a non-resident employee, are eligible to participate in the plan. The employer match is at management’s discretion. For the year ended December 31, 2023 and January 1, 2023, the Company did not have an employer match. Effective October 15, 2021 the Company has terminated the Wahlburgers 401(k) plan with final participant balance payouts occurring in 2022 fiscal year.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject to various legal claims arising in the normal course of business. Based on the information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the Company’s financial position or the results of future operations.

NOTE 8 OTHER INCOME

On February 4, 2021, the Company was approved for relief under the government’s Payroll Protection Program (PPP) Second Draw, with a loan totaling \$701,313. This PPP loan funded on March 1, 2021. The Company applied for and was granted forgiveness for all of the Second Draw PPP loan in the year ended January 1, 2023. These amounts have been recorded as other income in the Statement of Operations. In addition, the Company received funds in the amount of \$126,934 under The Employee Retention Credit (“ERC”). These amounts have been recorded as other income in the Statements of Operations.

NOTE 9 SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through March 29, 2024, the date which the financial statements were available to be issued. During this period, no subsequent events occurred, other than what is currently disclosed, which require disclosure or accrual in the consolidated financial statements.

See Independent Auditors’ Report

WAHLBURGERS FRANCHISING LLC
FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022



CONTENTS

Independent Auditors' Report.....	1
Balance Sheets	3
Statements of Operations	4
Statements of Members' Capital/(Deficit).....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7



INDEPENDENT AUDITORS' REPORT

To the Members of
Wahlburgers Franchising LLC
Hingham, Massachusetts

Opinion

We have audited the accompanying financial statements of Wahlburgers Franchising LLC, which comprise the balance sheets as of January 1, 2023 and January 2, 2022 and the related statements of operations and members' capital/(deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wahlburgers Franchising LLC as of January 1, 2023 and January 2, 2022 and the results of their operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wahlburgers Franchising LLC and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wahlburgers Franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wahlburgers Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wahlburgers Franchising LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Clark Hirth, CPAs

Farmington, Connecticut
April 26, 2023

WAHLBURGERS FRANCHISING LLC
BALANCE SHEETS
JANUARY 1, 2023 AND JANUARY 2, 2022

	<u>January 1, 2023</u>	<u>January 2, 2022</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,719,324	\$ 3,981,358
Accounts receivable	346,245	594,008
Due from affiliates	242,814	-
Prepaid expenses	243,847	251,216
Total current assets	3,552,230	4,826,582
Property and equipment:		
Office equipment	86,948	86,948
Leasehold improvements	84,610	84,610
	171,558	171,558
Less accumulated depreciation	104,500	86,609
Property and equipment, net	67,058	84,949
Other assets:		
ROU asset for operating lease, net	244,014	-
Total assets	\$ 3,863,302	\$ 4,911,531
Liabilities and Members' Capital/(Deficit):		
Current liabilities:		
Forgivable loan	\$ -	\$ 701,313
Accounts payable	73,081	257,727
Accrued expenses	282,208	743,935
Due to affiliates	-	1,541,628
Current portion of operating lease liability	73,097	-
Marketing fund liability	50,361	104,764
Current portion of deferred revenue	217,666	133,333
Total current liabilities	696,413	3,482,700
Long-term liabilities:		
Due to affiliates, net of current portion	-	5,310,023
Operating lease liability, net of current portion	179,158	-
Deferred revenue, net of current portion	1,219,001	1,446,667
Total long-term liabilities	1,398,159	6,756,690
Total liabilities	2,094,572	10,239,390
Members' capital/(deficit)	1,768,730	(5,327,859)
Total liabilities and members' capital/(deficit)	\$ 3,863,302	\$ 4,911,531

See Independent Auditors' Report and Notes to Financial Statements

WAHLBURGERS FRANCHISING LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JANUARY 1, 2023 AND JANUARY 2, 2022

	<u>January 1, 2023</u>	<u>January 2, 2022</u>
Franchise revenues:		
Area development and franchise fees	\$ 638,333	\$ 755,000
Royalties and management/license fees	5,303,918	5,443,589
Advertising fees	756,176	574,458
Other franchise income	42,133	186,211
Total revenues, net	<u>6,740,560</u>	<u>6,959,258</u>
Operating expenses:		
Salaries and wages	2,786,787	2,875,306
Other operating costs and expenses	1,784,107	1,417,905
General and administrative expenses	1,955,300	1,940,716
Total operating expenses	<u>6,526,194</u>	<u>6,233,927</u>
Other income/(expenses)		
Other income	828,247	626,072
Interest income	6,496	-
Interest expense	(556)	-
Gain/(loss) on sale of assets	-	(35,283)
Settlement expense	(12,000)	(11,000)
Total other income/(expenses)	<u>822,187</u>	<u>579,789</u>
Net income	<u>\$ 1,036,553</u>	<u>\$ 1,305,120</u>

See Independent Auditors' Report and Notes to Financial Statements

WAHLBURGERS FRANCHISING LLC
STATEMENTS OF MEMBERS' CAPITAL/(DEFICIT)
FOR THE YEARS ENDED JANUARY 1, 2023 AND JANUARY 2, 2022

Members' deficit balance, January 3, 2021	\$ (6,632,979)
Net income	<u>1,305,120</u>
Members' deficit balance, January 2, 2022	\$ (5,327,859)
Net income	1,036,553
Distributions	(214,203)
Contributions	6,274,239
Members' capital balance, January 1, 2023	<u>\$ 1,768,730</u>

See Independent Auditors' Report and Notes to Financial Statements

WAHLBURGERS FRANCHISING LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 1, 2023 AND JANUARY 2, 2022

	<u>January 1, 2023</u>	<u>January 2, 2022</u>
Cash flows from operating activities:		
Net income	\$ 1,036,553	\$ 1,305,120
Adjustments to reconcile net loss to net cash provided by operating activities:		
Forgiveness of PPP loan	(701,313)	(500,939)
Depreciation and amortization	17,891	68,758
Amortization of ROU assets	81,338	-
Loss on sale of fixed assets	-	35,283
Reduction of lease liability for operating leases	(73,097)	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	247,763	(29,407)
Due from affiliates	(242,814)	411,020
Prepaid expenses and other assets	7,369	(249,835)
Increase (decrease) in:		
Accounts payable	(184,646)	(504,668)
Accrued expenses	(461,727)	372,320
Marketing fund liability	(54,403)	22,088
Due to affiliates	1,011,793	1,754,605
Deferred revenue	(143,333)	370,000
Net cash provided by operating activities	<u>541,374</u>	<u>3,054,345</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(15,770)
Proceeds from sale of assets	-	50,000
Net cash provided by investing activities	<u>-</u>	<u>34,230</u>
Cash flows from financing activities:		
Proceeds from forgivable loan	-	701,313
Due to affiliates	(7,863,444)	-
Members' distributions	(214,203)	-
Members' contributions	6,274,239	-
Net cash provided/(used) by financing activities	<u>(1,803,408)</u>	<u>701,313</u>
Net increase/(decrease) in cash and cash equivalents	(1,262,034)	3,789,888
Cash and cash equivalents, beginning of year	<u>3,981,358</u>	<u>191,470</u>
Cash and cash equivalents, end of year	<u>\$ 2,719,324</u>	<u>\$ 3,981,358</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 556</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Additions to ROU assets obtained from operating leases, net	<u>\$ (325,352)</u>	<u>\$ -</u>
Additions to lease liabilities obtained from operating leases, net	<u>\$ 325,352</u>	<u>\$ -</u>

See Independent Auditors' Report and Notes to Financial Statements

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 1 ORGANIZATION

Wahlburgers Franchising LLC (the “Company”) is a single member limited liability company organized in the state of Massachusetts and established on April 9, 2014. The Company is a wholly owned subsidiary of Wahlburgers Holding Company, LLC (“WHC”). The Company is a franchisor and licensor of restaurants in the better-burger segment of the restaurant industry, offering both fast casual and table service featuring a chef-inspired menu including burgers, sandwiches, salads, fries, tater tots, frappes as well as a full-service bar. The Company has franchise and license agreements with various operators to develop and operate the restaurants in the United States, Canada, and Germany.

A summary of franchise and affiliate-owned until activity is as follows:

	<u>Franchise</u>	<u>Affiliate- Owned</u>
Units operating at January 3, 2021	52	7
Units opened	32	-
Units closed	<u>(2)</u>	<u>-</u>
Units operating at January 2, 2022	82	7
Units opened	21	-
Units closed	<u>(4)</u>	<u>-</u>
Units operating at January 1, 2023	<u><u>99</u></u>	<u><u>7</u></u>

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets generally accepted accounting principles in the United States of America (“GAAP”) that the Company follows to ensure its financial conditions, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification (“FASB ASC”).

Fiscal Year

The Company operates on a 52/53-week fiscal year ending on the Sunday closest to December 31. Fiscal year 2021 was 52 weeks and included the period from January 4, 2021 through January 2, 2022. Fiscal year 2022 was 52 weeks and included the period from January 3, 2022 through January 1, 2023.

See Independent Auditors’ Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The Company is a wholly owned subsidiary of WHC and is a disregarded entity for income tax purposes, and accordingly, the results of operations will be reported on the parent company's tax returns. As a result, the Company generally does not incur United States federal income taxes.

The Company accounts for uncertainties in tax positions, under the provisions of ASC 740 *Income Taxes*. Under these provisions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more than likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits in commercial banks. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Company has not experienced any losses in this account. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Management considers the following factors when determining the collectability of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisees were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company believes all of its accounts receivable at January 1, 2023 and January 2, 2022 are fully collectible, and accordingly, no allowance has been recorded.

Property and Equipment

Property and equipment are recorded at historical cost. Assets under development are included in construction in progress, with depreciation commencing upon placing the asset in service. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recognized in the statements of operations. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Depreciation of equipment is provided by the straight-line method over their estimated useful lives ranging from 3 to 7 years, except for leasehold improvements, which are amortized over the shorter of the terms of the related leases or their estimated useful lives.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition

The Company derives its revenues from franchise revenue, advertising fund revenue, transfer fees, and corporate owned locations.

Franchise fees and royalties

Contract consideration from franchisees primarily consist of initial or renewal franchise fees, area development fees, sales-based royalties, sales-based advertising fund fees and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company also enters into area development agreements ("ADAs") which grant a franchisee the right to develop two or more franchise units. The Company collects an upfront area development fee for the grant of such rights. The initial franchise fees and upfront area development fees are nonrefundable and collected when the underlying franchise agreement or ADA is signed by the franchisee. Sales based royalties and advertising fund fees are payable weekly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively. In addition to ADAs the Company enters into master territory and/or license agreements ("MLAs") that typically allows the master licensee to either act as the franchisee or to sub-franchise to other operators.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has elected to use the practical expedient for pre-opening activities and considers the following as a single performance obligation: assistance in selection of site; assistance in obtaining facilities and preparing facilities for their intended use; training of franchisee's personnel; preparation and distribution of manuals; bookkeeping, information technology, and advisory services; and inspection, testing and other quality control programs.

All other pre-opening activities have been determined to be highly interrelated and interdependent to access the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access our intellectual property over the term of each franchise agreement.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition – (Continued)

The Company estimates the standalone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees. Initial and renewal franchise fees related to the ADAs are recorded as contract receivable and contract liabilities at their contract transaction price. Master license and territory fees are dependent upon the number of restaurants in each territory and are recognized in proportionate amounts as franchisees develop and open locations in accordance with the related development schedule.

Royalties are earned based on a percentage of franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Corporate owned locations

During 2021 the Company had a food truck in service. Revenues are recognized at the time when the food and beverage sales are made to customers, net of sales tax. During 2021 the food truck was sold which resulted in no revenues recorded in year end January 1, 2023. Additionally, the Company may charge labor to customers for corporate catering events, which is also recognized once the events are hosted. Discounts provided to customers are recognized as a reduction in sales at the time of sale.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Revenue Recognition – (Continued)

Advertising Fund

The Company maintains an advertising fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Advertising fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has that the right to access its intellectual property and administration of the advertising fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the advertising fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When advertising fund fees exceed the related advertising fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized.

Incremental Costs of Obtaining a Contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Accounting Pronouncements Issued and Adopted

The Financial Accounting Standards Board issued Accounting Standards Update ASU No. 2016-02, *Leases* (Topic 842), to supersede previous generally accepted accounting principles related to accounting for finance and operating leases. The Company has adopted the standard for the year beginning January 3, 2022. Accordingly, ASC 842 has been retrospectively applied on a modified basis to January 3, 2022 with a cumulative-effect adjustment recognized as of January 3, 2022. The date of initial application for a lease with a commencement date prior to January 3, 2022 is January 3, 2022. ASC 842 applies in its entirety to any leases with commencement dates of January 3, 2022 or later. In addition, when applying this transition method, the Company has elected to follow the package of practical expedients under ASC 842-10-65-1(f). The objective of this ASU is to increase transparency and comparability in financial reporting. It is applicable to any entity that enters into a lease and applies to all leases and subleases of property, plant, and equipment. The core principle of Topic 842 is that the lessees should recognize the assets and liabilities that arise from leases.

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 3 REVENUE AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by geographic region and timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by geographic region in the were as follows:

	<u>January 1, 2023</u>	<u>January 2, 2022</u>
Northeastern United States	\$ 2,428,623	\$ 1,818,342
Midwestern United States	2,024,932	2,189,159
Southern United States	1,018,019	1,338,364
Southwestern United States	22,423	-
Western United States	1,167,159	1,072,287
Outside of the United States	<u>79,404</u>	<u>541,106</u>
	<u>\$ 6,740,560</u>	<u>\$ 6,959,258</u>

Revenue by timing of recognition were as follows:

	<u>January 1, 2023</u>	<u>January 2, 2022</u>
<i>Point in time:</i>		
Area development and franchise fees	\$ 505,000	\$ 275,000
Royalties and management/license fees	5,303,918	5,443,589
Franchise advertising fees	756,176	574,458
Other franchise income	<u>42,133</u>	<u>186,211</u>
Total	<u>\$ 6,607,227</u>	<u>\$ 6,479,258</u>
<i>Over time:</i>		
Area development and franchise fees	<u>\$ 133,333</u>	<u>\$ 480,000</u>

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 3 REVENUE AND RELATED CONTRACT BALANCES – (Continued)

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as 'Deferred revenue' on the accompanying balance sheets. A summary of significant changes in deferred franchise fees is as follows:

Deferred franchise revenues at January 3, 2021	\$ 240,000
Revenue recognized during the year	(125,000)
Write off of fees related to termination of agreements	(150,000)
Additions for initial franchise fees received	<u>125,000</u>
Deferred franchise revenue at January 2, 2022	90,000
Revenue recognized during the year	(485,000)
Write off of fees related to termination of agreements	-
Additions for initial franchise fees received	<u>445,000</u>
Deferred franchise revenue at January 1, 2023	<u>\$ 50,000</u>

Deferred franchise fees consisted of the following:

	<u>January 1, 2023</u>	<u>January 2, 2022</u>
Franchise fees not yet opened	\$ 50,000	\$ 90,000
Opened franchise units	<u>-</u>	<u>-</u>
	<u>\$ 50,000</u>	<u>\$ 90,000</u>

The initial and renewal franchise fees on ADAs and MLAs that remain uncollected as of January 1, 2023 and January 2, 2022, are reflected as "Accounts receivable" in the accompanying balance sheets and the related contract liabilities are included in "Deferred revenues" in the accompanying balance sheets.

Significant changes in contract receivables and contract liabilities are as follows:

Deferred ADA and MLAs revenues at January 3, 2021	\$ 970,000
Revenue recognized during the year	(280,000)
Write off of fees related to termination of agreements	(200,000)
Additions for ADA and MLAs fees received	<u>1,000,000</u>
Deferred ADA and MLAs revenue at January 2, 2022	\$ 1,490,000
Revenue recognized during the year	(53,333)
Write off of fees related to termination of agreements	(100,000)
Additions for ADA and MLAs fees received	<u>50,000</u>
Deferred ADA and MLAs revenue at January 1, 2023	<u>\$ 1,386,667</u>

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 4 RELATED PARTY TRANSACTIONS

Area development and franchise agreements

The Company has an area development agreement and franchise agreement with Wahlburgers Boston Developer Company LLC (“WBDC”), an affiliate under common control. During 2021, there were \$10,000 area development and \$25,000 franchise fees recognized as income to the Company by WBDC. Accordingly, \$30,000 of ADA fees paid by WBDC remain in deferred revenue on the accompanying balance sheets as of January 1, 2023 and January 2, 2022. Additionally, WHC is a guarantor on the lease for this affiliate for the first restaurant opened under the ADA.

Due to/from affiliates

The Company and its affiliates share employee services and other expenses with the parent company, WHC and its subsidiaries, which pay a proportionate share of the operating expenses. In addition, certain costs incurred by WHC or its affiliates to provide support to the Company and/or individual franchisees during the construction and preopening phases of the restaurant have been charged to the Company. The Company also has management and license agreements with seven associated affiliates under common control, Wahlburgers Lynnfield, LLC, Wahlburgers Fenway, LLC, Wahlburgers South Bay, LLC, Wahlburgers Springfield, LLC, WB Frisco, LLC, WB Myrtle Beach, and Paragon Funding Group III, LLC. The affiliates pay both a management and license fee to the Company based on a percentage of sales, as defined. Management and license fees earned by the Company during the years ended January 1, 2023 and January 2, 2022 totaled \$1,366,246 and \$1,331,146, respectively, and are included in royalties and management/license fees on the statements of operations. Brand fund contributors for these affiliates totaled \$161,467 and \$156,945 for the years ended January 1, 2023 and January 2, 2022, respectively. The net amounts due from (to) affiliates noted above totaled \$242,814 and (\$1,541,628) as of January 1, 2023 and January 2, 2022, respectively. Additionally, WHC is guarantor on the leases for these affiliates.

During 2022 the parent company, WHC, had converted amounts due from Wahlburgers Franchising LLC to capital which resulted in a reduction in due to affiliates of \$7,863,444 during 2022. Due to the capital conversion, this amount is reported in the financing section of the cashflow statement.

See Independent Auditors’ Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 4 RELATED PARTY TRANSACTIONS - (Continued)

Due to/from affiliates – (Continued)

In addition, the Company has fifteen franchise agreements in which a shareholder of WHC, the parent company, is also a shareholder in the franchisee. One of these franchised locations opened during 2022. For the year ended January 1, 2023, royalties and brand fund contributions from these franchisees were \$1,257,222. Amounts due from these franchisees were \$44,505 as of January 1, 2023, which are included in accounts receivable.

January 2, 2022, royalties and brand fund contributions from these franchisees were \$1,574,060. Amounts due from these franchisees were \$57,202 as of January 2, 2022, which are included in accounts receivable.

NOTE 5 OPERATING LEASE LIABILITY

Wahlburgers Holding Company, LLC entered into an agreement effective in June 2021 to rent office facilities for a five-year period. Wahlburgers Franchising Company, LLC has subleased this space upon the same terms and conditions of the lease. The agreement provides for fixed monthly rental payments. For the year ended January 1, 2023, lease cost, including certain related expenses, amounted to \$134,192. Based on the terms of the lease, the Company has determined the lease to be an operating lease under FASB ASU 842. The lease was discounted using a risk-free interest rate of 1.91%.

In accordance with ASU No. 2016-02, as a practical expedient, the Company has elected not to apply the recognition requirements to short-term leases, and therefore recognizes lease payments on short-term leases in the Statement of Operations and Members' Capital, on a straight-line basis, in the period in which the obligations for those payments is incurred. In addition, the Company has elected the practical expedient not to separate lease and non-lease components for building leases.

The future payments due under operating leases are as follows:

2023	\$ 79,113
2024	79,113
2025	79,113
2026	32,964
Less effects of discounting	<u>(18,048)</u>
	<u>\$ 252,255</u>

See Independent Auditors' Report

WAHLBURGERS FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2023 AND JANUARY 2, 2022

NOTE 6 EMPLOYEE BENEFITS

The Company established the Wahlburgers 401(k) Plan (the “Plan”) effective December 30, 2018. All employees of the Company who have completed at least one year of eligibility service, as defined, and who have attained the age of 21, except employees covered by a collective bargaining agreement, leased employees, or any employee who is a non-resident employee, are eligible to participate in the plan. The employer match is at management’s discretion. For the year ended January 1, 2023 and January 2, 2022, the Company did not have an employer match. Effective October 15, 2021 the Company has terminated the Wahlburgers 401(k) plan with final participant balance payouts occurring in 2022 fiscal year.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject to various legal claims arising in the normal course of business. Based on the information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the Company’s financial position or the results of future operations.

NOTE 8 OTHER INCOME

On February 4, 2021, the Company was approved for relief under the government’s Payroll Protection Program (PPP) Second Draw, with a loan totaling \$701,313. This PPP loan funded on March 1, 2021. The Company applied for and was granted forgiveness for all of the Second Draw PPP loan in the year ended January 1, 2023. These amounts have been recorded as other income in the Statement of Operations.

In addition, the Company received funds in the amount of \$126,933 under The Employee Retention Credit (“ERC”). These amounts have been recorded as other income in the Statements of Operations.

NOTE 8 SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through April 26, 2023, the date which the financial statements were available to be issued. During this period, no subsequent events occurred, other than what is currently disclosed, which require disclosure or accrual in the consolidated financial statements.

See Independent Auditors’ Report

EXHIBIT H
STATE SPECIFIC ADDENDA

ADDITIONAL DISCLOSURES AND ADDENDA FOR CALIFORNIA

ADDITIONAL DISCLOSURES FOR CALIFORNIA

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

2. See the cover page of the disclosure document for Wahlburger's website address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

3. **Item 3, Additional Disclosure.** The following statement is added to Item 3:

Neither Wahlburgers 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.

4. **Item 6, Additional Disclosures.** The following statement is added to Item 6:

The maximum interest rate allowed by law in California is 10% annually.

5. **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 a franchise. If the agreements contain a provision that is inconsistent with the law, the law will control.

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

The franchise agreements contain a covenant not to compete which extends beyond the expiration or termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreements require application of the laws of Massachusetts. These provisions may not be enforceable under California law.

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

The franchise agreements include a general release. In addition, you must sign a general release if you transfer or renew your franchise or development rights. 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 Professional Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

6. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving

any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR CALIFORNIA

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the State of California; **(B)** Area Developer is a resident of the State of California; and/or **(C)** part or all of the Development Area is located in the State of California.

2. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 21.7 and 21.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Area Development Agreement.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law are met independently of this Addendum.

7. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR CALIFORNIA

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in the State of California; **(B)** Franchisee is a resident of the State of California; and/or **(C)** the Franchised Restaurant will be located or operated in the State of California.

2. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 30.7 and 30.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Franchise Agreement.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law are met independently of this Addendum.

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

FRANCHISEE:

WAHLBURGERS:

WAHLBURGERS FRANCHISING LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR HAWAII

ADDITIONAL DISCLOSURES FOR HAWAII

THESE FRANCHISES 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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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 DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT 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.

Our registered agent in the state authorized to receive service of process: **Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 205, Honolulu, Hawaii 96813**

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR HAWAII

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Hawaii; **(B)** you are a resident of the State of Hawaii; and/or **(C)** part or all of the Development Area is located in the State of Hawaii.

2. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 21.7 and 21.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

7. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR HAWAII

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Hawaii; **(B)** you are a resident of the State of Hawaii; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Hawaii.

2. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 30.7 and 30.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR ILLINOIS

ADDITIONAL DISCLOSURES FOR ILLINOIS

1. **Risk Factors, State Cover Page.** The following statement is added to the end of the first risk factor on the State Cover Page:

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION THAT OTHERWISE IS ENFORCEABLE IN ILLINOIS. NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW WILL GOVERN THE FRANCHISE AGREEMENTS.

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

Any provision in the Area Development Agreement or the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the Area Development Agreement and the Franchise Agreement.

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

Each provision of these Additional Disclosures will 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.

3. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR ILLINOIS

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the State of Illinois; **(B)** Area Developer is a resident of the State of Illinois; and/or **(C)** part or all of the Development Area is located in the State of Illinois.

2. The following sentence is added to the end of Section 12:

Your rights upon termination and, if applicable, non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. The following sentence is added to the end of Section 19.1:

Notwithstanding the foregoing, Illinois law will govern this Agreement.

4. The following sentence is added to the end of Section 19.2:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois; however, a franchise agreement may provide for arbitration in a venue outside of Illinois.

5. The following sentence is added to the end of Section 19.3:

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 after the violation, 1 year after the Area Developer becomes aware of the underlying facts or circumstances, or 90 days after delivery to the Area Developer of a written notice disclosing the violation.

6. The following sentence is added as new Section 20.7:

20.7 Certain Waivers Void. 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.

7. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

8. Sections 21.7 and 21.8 are deleted.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

9. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum.

10. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Area Development Agreement.

11. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR ILLINOIS

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Illinois.

2. The following sentence is added to the end of Sections 2.2 and 19:

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.

3. The following sentence is added to the end of Section 28.1:

Notwithstanding the foregoing, Illinois law will govern this Agreement.

4. The following sentence is added to the end of Section 28.2:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois; however, a franchise agreement may provide for arbitration in a venue outside of Illinois.

5. The following sentence is added to the end of Section 28.3:

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.

6. The following sentence is added as new Section 29.8:

29.8 Certain Waivers Void. 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.

7. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

8. Sections 30.7 and 30.8 are deleted.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection

with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

9. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum.

10. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Franchise Agreement.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR MARYLAND

ADDITIONAL DISCLOSURES FOR MARYLAND

1. **Item 5, Initial Fees.** The following paragraph is added to Item 5:

Fee Deferral

Based upon its review of our financial statements (attached as Exhibit H), the Securities Division of the State of Maryland's Office of the Attorney General requires that we defer the payment of: **(1)** the Development Fee until the first Franchised Restaurant developed under the Development Agreement opens for business; and **(2)** with respect to each Franchised Restaurant, the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant until the applicable Franchised Restaurant opens for business. Upon the opening of the first Franchised Restaurant developed under the Development Agreement, you must pay us the Development Fee. Upon the opening of each Franchised Restaurant, you must pay us the Initial Franchise Fee and any other initial fees owed by you to us for that Franchised Restaurant.

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

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Any provisions requiring you to sign a general release of claims against Wahlburgers, including upon 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 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.

3. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

4. Each provision of these Additional Disclosures will 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.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR MARYLAND

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the State of Maryland; **(B)** Area Developer is a resident of the State of Maryland; and/or **(C)** part or all of the Development Area is located in the State of Maryland.

2. The following sentence is added to the end of Sections 4 and 5.5:

Notwithstanding anything to the contrary in this Agreement, including, but not limited to, this Section, in the State of Maryland, we will defer the payment of: **(A)** the Development Fee until the first Franchised Restaurant developed hereunder opens for business; and **(B)** with respect to each Franchised Restaurant developed hereunder, the Initial Franchise Fee and any other initial fees owed by you to us for that Franchised Restaurant until the applicable Franchised Restaurant opens for business. Upon the opening of the first Franchised Restaurant developed hereunder, you will pay us the Development Fee. Upon the opening of each Franchised Restaurant developed hereunder, you will pay us the Initial Franchise Fee and any other initial fees owed by you to us for that Franchised Restaurant.

3. The following sentence is added to the end of Sections 9.3.4 and 10:

Any provision requiring you to sign a general release of claims against us does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 19.2:

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

5. The following sentence is added to the end of Section 19.3:

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

6. Sections 21.1, 21.3, 21.7 and 21.8 are deleted.

7. The following sentence is added to the end of Section 21:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective developer 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 will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)**

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.

9. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Area Development Agreement.

10 The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently of this Addendum.

11 Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR MARYLAND

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Sections 2.2.6, 16.3.5 and 17:

Any provision requiring you to sign a general release of claims against us does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

3. The following sentence is added to the end of Section 6.1:

Notwithstanding anything to the contrary in this Agreement, including, but not limited to, this Section 6.1, in the State of Maryland, we will defer the payment of the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant until the Franchised Restaurant opens for business. Upon the opening of the Franchised Restaurant, you will pay us the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant.

4. The following sentence is added to the end of Section 28.2:

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

5. The following sentence is added to the end of Section 28.3:

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

6. Sections 30.1, 30.2, 30.7 and 30.8 are deleted.

7. The following sentence is added to the end of Section 30:

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 will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

9. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Franchise Agreement.

10. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently of this Addendum.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR MINNESOTA

ADDITIONAL DISCLOSURES FOR MINNESOTA

1. **Trademarks.** The following statement is added to Item 13:

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Proprietary Mark infringes trademark rights of a third party; provided, that we will not indemnify against the consequences of your use of the Proprietary Marks unless the use is in accordance with the requirements of the Franchise Agreement and the Wahlburgers System.

2. **Notice of Termination.** The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreements.

3. **Choice of Forum and Law.** The following statement is added to the State Cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. **Waiver of Right to Jury Trial.** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial.

6. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

7. Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to these Additional Disclosures.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR MINNESOTA

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ (“Area Development Agreement”) between Wahlburgers Franchising LLC (“Wahlburgers,” “you” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the State of Minnesota; **(B)** Area Developer is a resident of the State of Minnesota; and/or **(C)** part or all of the Development Area is located in the State of Minnesota.

2. The following sentence is added to the end of Sections 9.3.4 and 10:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 12:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreements.

4. The following sentences are added to the end of Section 19.2:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. The following sentence is added to the end of Section 19.3:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

6. Section 19.4 is deleted.

7. The second sentence of Section 20.5 is deleted and replaced with the following:

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 seek declaratory and injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond is required.

8. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative

and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

9. Sections 21.7 and 21.8 are deleted.

10. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

11. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Addendum.

12. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

13. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHSING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR MINNESOTA

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ (“Franchise Agreement”) between Wahlburgers Franchising LLC (“Wahlburgers,” “you” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 2.2.6, 16.3.5 and 17:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 13.5:

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Proprietary Mark infringes trademark rights of a third party; provided, that we will not indemnify against the consequences of your use of the Proprietary Marks unless the use is in accordance with the requirements of this Agreement and the Wahlburgers System.

4. The following sentence is added to the end of Section 19:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of franchise agreements.

5. The following sentences are added to the end of Section 28.2:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. The following sentence is added to the end of Section 28.3:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

7. Section 28.4 is deleted.

8. The second sentence of Section 29.5 is deleted and replaced with the following sentence:

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 seek declaratory and injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond is required.

9. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

10. Sections 30.7 and 30.8 are deleted.

11. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

12. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Addendum.

13. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR NEW YORK

ADDITIONAL DISCLOSURES FOR NEW YORK

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled "**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

ADDITIONAL DISCLOSURES AND ADDENDA FOR NORTH DAKOTA

ADDITIONAL DISCLOSURES FOR NORTH DAKOTA

1. **Item 5, Additional Disclosures.** The following paragraph is added to Item 5:

The North Dakota Securities Department requires us, in North Dakota, to defer payment of the Development Fee, the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under each franchise agreement. Consequently, in North Dakota, we defer the payment of: **(1)** the Development Fee until the first Franchised Restaurant developed under the Development Agreement opens for business; and **(2)** with respect to each Franchised Restaurant, the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant until the applicable Franchised Restaurant opens for business. Upon the opening of the first Franchised Restaurant developed under the Development Agreement, you must pay us the Development Fee. Upon the opening of each Franchised Restaurant, you must pay us the Initial Franchise Fee and any other initial fees owed by you to us for that Franchised Restaurant.

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

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.

On renewal, you are not required to release any claims you might have against us under the North Dakota Franchise Investment Law.

The requirement of lost revenue damages in Section 20 of the Franchise Agreement is deleted from Item 17(i).

The agreement summary in Items 17(v) and (w) is deleted.

3. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

4. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to these Additional Disclosures.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR NORTH DAKOTA

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ (“Area Development Agreement”) between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the State of North Dakota; **(B)** Area Developer is a resident of the State of North Dakota; and/or **(C)** part or all of the Development Area is located in the State of North Dakota.

2. The following sentences are added to the end of Sections 4 and 5.5:

The North Dakota Securities Department requires us, in North Dakota, to defer payment of the Development Fee, the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under each franchise agreement. Consequently, in North Dakota, we defer the payment of: **(1)** the Development Fee until the first Franchised Restaurant developed under the Development Agreement opens for business; and **(2)** with respect to each Franchised Restaurant, the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant until the applicable Franchised Restaurant opens for business. Upon the opening of the first Franchised Restaurant developed under the Development Agreement, you must pay us the Development Fee. Upon the opening of each Franchised Restaurant, you must pay us the Initial Franchise Fee and any other initial fees owed by you to us for that Franchised Restaurant.

3. Sections 19.1, 19.2, 19.4 and 19.5 are deleted.

4. Section 19.3 is deleted and is replaced by the following:

Any legal action or proceeding (including a proceeding related to the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within the applicable statute of limitations under North Dakota law.

5. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

6. Sections 21.7 and 21.8 are deleted.

7. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving

04/23 - ND

any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** disclaiming reliance on any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Area Development Agreement.

9. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR NORTH DAKOTA

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ (“Franchise Agreement”) between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in the State of North Dakota; **(B)** Franchisee is a resident of the State of North Dakota; and/or **(C)** the Franchised Restaurant will be located or operated in the State of North Dakota.

2. Section 2.2.6 is deleted.

3. The following sentences are added to the end of Section 6.1:

The North Dakota Securities Department requires us, in North Dakota, to defer payment of the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under each franchise agreement. Accordingly, notwithstanding anything to the contrary in this Agreement, including, but not limited to, this Section 6.1, in North Dakota, we will defer the payment of the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant until the Franchised Restaurant opens for business. Upon the opening of the Franchised Restaurant, you will pay us the Initial Franchise Fee and any other initial fees owed by you to us for the Franchised Restaurant.

4. Section 20.5 is deleted.

5. Sections 28.1, 28.2, 28.4 and 28.5 are deleted. **65.** Section 28.3 is deleted and is replaced by the following:

Any legal action or proceeding (including a proceeding related to the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within the applicable statute of limitations under North Dakota law.

7. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

8. Sections 30.7 and 30.8 are deleted.

9. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or

(B) disclaiming reliance on any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Franchise Agreement.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR RHODE ISLAND

ADDITIONAL DISCLOSURES FOR RHODE ISLAND

- 1. Additional Disclosure for Item 17.** The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

- 2.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

- 3.** These Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to these Additional Disclosures.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR RHODE ISLAND

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Rhode Island; **(B)** you are a resident of the State of Rhode Island; and/or **(C)** part or all of the Development Area is located in the State of Rhode Island.

2. The following language is added to Sections 19.1 and 19.2:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

4. Sections 21.7 and 21.8 are deleted.

5. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

7. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently of this Addendum.

8. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS :
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR RHODE ISLAND

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Rhode Island; **(B)** you are a resident of the State of Rhode Island; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Rhode Island.

2. The following language is added to Sections 28.1 and 28.2:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

4. Sections 30.7 and 30.8 are deleted.

5. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently of this Addendum.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDUM FOR SOUTH DAKOTA

ADDITIONAL DISCLOSURES FOR SOUTH DAKOTA

- 1.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

- 2.** Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Franchise Investment Act are met independently without reference to these Additional Disclosures.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR SOUTH DAKOTA

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Area Development Agreement. This Addendum is being executed because the franchise was “offered or sold” (as defined in the South Dakota Franchise Investment Act (“Act”)) in South Dakota.

2. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 21.7 and 21.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Act are met independently of this Addendum.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

7. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR SOUTH DAKOTA

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 the franchise was “offered or sold” (as defined in the South Dakota Franchise Investment Act (“Act”)) in South Dakota.

2. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 30.6 and 30.7 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Act are met independently of this Addendum. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR VIRGINIA

ADDITIONAL DISCLOSURES FOR VIRGINIA

1. Additional Disclosures for Item 17.h. The following statements are added to Item 17.h.:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Development Agreement and/or Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Development Agreement and/or Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

3. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to these Additional Disclosures.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR VIRGINIA

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the Commonwealth of Virginia; **(B)** Area Developer is a resident of the Commonwealth of Virginia; and/or **(C)** part or all of the Development Area is located in the Commonwealth of Virginia.

2. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 21.7 and 21.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Area Development Agreement.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently of this Addendum.

7. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR VIRGINIA

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated AS OF _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in the Commonwealth of Virginia; **(B)** Franchisee is a resident of the Commonwealth of Virginia; and/or **(C)** the Franchised Restaurant will be located or operated in the Commonwealth of Virginia.

2. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 30.7 and 30.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Franchise Agreement.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently of this Addendum.

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

FRANCHISEE:

WAHLBURGERS:

WAHLBURGERS FRANCHISING LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR WASHINGTON

ADDITIONAL DISCLOSURES FOR WASHINGTON

1. **State Cover Sheet.** The following risk factors are added to the State Cover Sheet:

THE FRANCHISOR HAS A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.

THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.

2. **Item 1, The Franchisor and Any Parents, Predecessors, and Affiliates.** The following sentence is added to the end of the section entitled "Wahlburgers Restaurants" in Item 1:

We do not typically offer the opportunity to develop a single Wahlburgers Restaurant.

3. **Item 5, Development Fee.** The following sentence is added to the end of the section entitled "Development Fee" in Item 5:

Generally, you will be required to develop a minimum of three Wahlburgers Restaurants under the Development Agreement.

4. **Item 5, Initial Fees.** The following paragraph is added to Item 5:

Fee Deferral

Based upon its review of our financial statements (attached as Exhibit H), the Securities Division of the State of Washington's Department of Financial Institutions requires that we defer, with respect to each Franchised Restaurant, the payment of the Development Fee for the Franchised Restaurant (\$10,000) and the Initial Franchise Fee for the Franchised Restaurant (\$40,000) until that Franchised Restaurant opens for business. Upon the opening of each Franchised Restaurant, you must pay us the Development Fee (\$10,000) and the Initial Franchise Fee (\$40,000) for that Franchised Restaurant.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures.

5. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

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 Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR WASHINGTON

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the area development agreement, an area developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights executed by an area developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the area development agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting an area developer from: **(A)** soliciting or hiring any employee of an area developer of the same franchisor; or **(B)** soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

9. Sections 21.7 and 21.8 are deleted.

10. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

11. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

12. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR WASHINGTON

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) is entered into simultaneously with the execution of the Franchise Agreement.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from: **(A)** soliciting or hiring any employee of a franchisee of the same franchisor; or **(B)** soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

9. Sections 30.7 and 30.8 are deleted.

10. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

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

12. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR WISCONSIN

ADDITIONAL DISCLOSURES FOR I WISCONSIN

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR WISCONSIN

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Developer,” “you” or “your”) is entered into simultaneously with the execution of the Area Development Agreement.

1. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

2. Sections 21.6 and 21.7 are deleted.

3. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

4. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Wisconsin law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR WISCONSIN

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) is entered into simultaneously with the execution of the Franchise Agreement.

1. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is hereby amended to add the following provision:

For all franchises sold in the State of Wisconsin, the Company will provide Franchisee at least 90 days’ prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between the Company and Franchisee inconsistent with the Law.

3. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

4. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

5. Sections 30.7 and 30.8 are deleted.

6. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Wisconsin law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

Print Name: _____

Title: _____

Date: _____

ADDITIONAL DISCLOSURES AND ADDENDA FOR INDIANA AND MICHIGAN

ADDITIONAL DISCLOSURES FOR INDIANA AND MICHIGAN

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR INDIANA AND MICHIGAN

This Addendum to the Wahlburgers Restaurant Area Development Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Area Developer,” “you” or “your”) 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 Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Area Developer was made in Indiana or Michigan; **(B)** Area Developer is a resident of Indiana or Michigan; and/or **(C)** the Development Territory includes Indiana or Michigan.

2. Section 21.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 21.7 and 21.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

5. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

AREA DEVELOPER:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FRANCHISE AGREEMENT ADDENDUM FOR INDIANA AND MICHIGAN

This Addendum to the Wahlburgers Restaurant Franchise Agreement dated as of _____ between Wahlburgers Franchising LLC (“Wahlburgers,” “we” or “us”) and _____ (“Franchisee,” “you” or “your”) 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 Franchisee was made in Indiana or Michigan; **(B)** Franchisee is a resident of Indiana or Michigan; and/or **(C)** the Franchised Restaurant will be located in Indiana or Michigan.

2. Section 30.1 is deleted and is replaced by the following:

This Agreement involves significant legal and business rights and risks. We do not guarantee your success. You recognize that the nature of the business conducted by Wahlburgers Restaurants may change over time and you have had ample opportunity to investigate all representations made by or on behalf of us. The prospect for success of the business undertaken by you is speculative and depends to a material extent upon your personal commitment, capability and direct involvement in the day-to-day management of the business.

3. Sections 30.7 and 30.8 are deleted.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

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

FRANCHISEE:

**WAHLBURGERS:
WAHLBURGERS FRANCHISING LLC**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT J

LIST OF FRANCHISEES AND FRANCHISED LOCATIONS

OPEN FRANCHISED LOCATIONS

FRANCHISEE	LOCATION	TELEPHONE	FULL-SERVICE (FS) OR FAST CASUAL (FC)
WB Huntsville Burgers, LLC	1030 Mid-City Northwest Huntsville, AL 35806	(256) 261-3821	FS
One Team Restaurant Group, LLC	1219 Burlingame Ave. Burlingame, CA	(650) 399-0777	FS
Wahlrongo, Inc.	49500 Seminole Drive Cabazon, CA 92230	(951) 755-5344	FC
Hollywood BLVD Burgers, Inc.	6922 Hollywood Blvd. Suite 106 Los Angeles, CA 90028	(323) 798-4920	FS
Wahlkey, LLC	700 Front Street, Suite 107 Key West, FL 33040	(305) 433-2020	FS
Grand Slam Enterprises, LLC	455 Legends Place SE Suite 874 Atlanta, GA 30339	(678) 402-1195	FS
One Team Restaurant Group, LLC	1450 Ala Moana Rd. Honolulu, HI	(808) 470-4850	FC
Fox Valley Burgers LLC	825 South Randall Road St. Charles, IL 60174	(331) 235-5200	FS
Hy-Vee, Inc.*	2115 S. Macarthur Blvd. Springfield, IL 62704	(217) 726-1011	FC
Hy-Vee, Inc.*	7610 N. Prairie Rd. Peoria, IL 61615	(309) 589-1030	FC
Hy-Vee, Inc.*	1403 N. Veterans Parkway Bloomington, IL 61704	(309) 663-3062	FC
Hy-Vee, Inc.*	1651 Midtown Pike Peru, IL 61354	(815) 223-5219	FC
WB Carmel, LLC	1200 S. Rangeline Road Suite 4 Carmel, IN 46032	(317) 810-9999	FS
Hy-Vee, Inc.*	640 Lincoln Way Ames, IA 50010	(515) 232-1961	FC
Hy-Vee, Inc.*	Village at Jordan Creek, 7105 Mills Civic Pkwy. Suite 160, West Des Moines, IA 50266	(515) 225-4885	FS
Hy-Vee, Inc.*	2510 SW State Street Ankeny, IA 50023	(515) 963-3140	FC
Hy-Vee, Inc.*	905 U.S. 30 Carroll, IA 51401	(712) 792-6333	FC
Hy-Vee, Inc.*	1914 8 th Street Coralville, IA 52241	(319) 338-7731	FC
Hy-Vee, Inc.*	3285 Crosspark Rd. Coralville, IA 52241	(319) 665-2712	FC

<u>FRANCHISEE</u>	<u>LOCATION</u>	<u>TELEPHONE</u>	<u>FULL-SERVICE (FS) OR FAST CASUAL (FC)</u>
<u>WB Huntsville Burgers, LLC</u>	<u>1030 Mid City Northwest Huntsville, AL 35806</u>	<u>(256) 261-3821</u>	<u>FS</u>
<u>One Team Restaurant Group, LLC</u>	<u>1219 Burlingame Ave. Burlingame, CA</u>	<u>(650) 399-0777</u>	<u>FS</u>
<u>Wahlrongo, Inc.</u>	<u>49500 Seminole Drive Cabazon, CA 92230</u>	<u>(951) 755-5344</u>	<u>FC</u>
<u>Hollywood BLVD Burgers, Inc.</u>	<u>6922 Hollywood Blvd. Suite 106 Los Angeles, CA 90028</u>	<u>(323) 798-4920</u>	<u>FS</u>
<u>Wahlburgers FXWD LLC *</u>	<u>350 Trolley Line Rd. Ledyard, CT 06338</u>	<u>(860) 396-9245</u>	<u>FS</u>
<u>Grand Slam Enterprises, LLC</u>	<u>455 Legends Place SE Suite 874 Atlanta, GA 30339</u>	<u>(678) 402-1195</u>	<u>FS</u>
<u>One Team Restaurant Group, LLC</u>	<u>1450 Ala Moana Rd. Honolulu, HI</u>	<u>(808) 470-4850</u>	<u>FC</u>
<u>Fox Valley Burgers LLC</u>	<u>825 South Randall Road St. Charles, IL 60174</u>	<u>(331) 235-5200</u>	<u>FS</u>
<u>Hy-Vee, Inc. *</u>	<u>2115 S. Macarthur Blvd. Springfield, IL 62704</u>	<u>(217) 726-1011</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>7610 N. Prairie Rd. Peoria, IL 61615</u>	<u>(309) 589-1030</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>1403 N. Veterans Parkway Bloomington, IL 61704</u>	<u>(309) 663-3062</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>1651 Midtown Pike Peru, IL 61354</u>	<u>(815) 223-5219</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>3700 Broadway Street Quincy, IL 62305</u>	<u>(217) 228-1060</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>2115 South MacArthur Blvd. Springfield, IL 62704</u>	<u>(217) 726-1011</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>201 West Tenth Ave., Milan, IL 61264</u>	<u>(309) 787-0273</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>2700 DeKalb Ave. Sycamore, IL 60178</u>	<u>(815) 756-6174</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>3700 Broadway Street Quincy, IL 62305</u>	<u>(217) 228-1060</u>	<u>FC</u>
<u>WB Carmel, LLC</u>	<u>1200 S. Rangeline Road Suite 4 Carmel, IN 46032</u>	<u>(317) 810-9999</u>	<u>FS</u>
<u>Hy-Vee, Inc. *</u>	<u>640 Lincoln Way Ames, IA 50010</u>	<u>(515) 232-1961</u>	<u>FC</u>
<u>Hy-Vee, Inc. *</u>	<u>4035 Mount Vernon Road Southeast, Cedar Rapids, IA 52403</u>	<u>(319) 365-4623</u>	<u>FC</u>
<u>FRANCHISEE</u>	<u>LOCATION</u>	<u>TELEPHONE</u>	<u>FULL-</u>

			SERVICE (FS) OR FAST CASUAL (FC)
<u>Hy-Vee, Inc.*</u>	<u>2827 Hamilton Boulevard Sioux City, IA 51104</u>	<u>(712) 277-8120</u>	<u>FC</u>
<u>Hy-Vee, Inc.*</u>	<u>802 S. Center St. Marshalltown, IA 50158</u>	<u>(641) 751-4525</u>	<u>FC</u>
<u>Hy-Vee, Inc.*</u>	<u>2510 SW State Street Ankeny, IA 50023</u>	<u>(515) 963-3140</u>	<u>FC</u>
<u>Hy-Vee, Inc.*</u>	<u>905 U.S. 30 Carroll, IA 51401</u>	<u>(712) 792-6333</u>	<u>FC</u>
<u>Hy-Vee, Inc.*</u>	<u>1914 8th Street Coralville, IA 52241</u>	<u>(319) 338-7731</u>	<u>FC</u>
<u>Hy-Vee, Inc.*</u>	<u>4605 Fleur Drive Des Moines, IA 50321</u>	<u>(515) 285-7266</u>	<u>FC</u>
<u>Hy-Vee, Inc.*</u>	<u>3285 Crosspark Rd. Coralville, IA 52241</u>	<u>(319) 665-2712</u>	<u>FC</u>
Hy-Vee, Inc.*	2323 West Broadway Council Bluffs, IA 51501	(712) 328-9792	FC
Hy-Vee, Inc.*	400 South Locust Dubuque, IA 52003	(563) 583-6148	FC
Hy-Vee, Inc.*	4064 East 53 rd St. Davenport, IA 52807	(563) 355-5540	FC
Hy-Vee, Inc.*	5050 Edgewood Road NE Cedar Rapids, IA 52411	(319) 378-2945	FC
<u>Hy-Vee, Inc.*</u>	<u>4035 Mount Vernon Rd. SE Cedar Rapids, IA 52403</u>	<u>(319) 365-4623</u>	<u>FC</u>
Hy-Vee, Inc.*	420 Court Avenue Des Moines, IA 50309	(515) 243-2263	FC
Hy-Vee, Inc.*	8701 Douglas Avenue Urbandale, IA 50322	(515) 251-5286	FC
Hy-Vee, Inc.*	1005 E. Hickam Road Waukee, IA 50263	(515) 216-2772	FC
Hy-Vee, Inc.*	351 NE Gateway Dr. Grimes, IA 50111	(515) 986-4527	FC
Hy-Vee, Inc.*	630 University Ave. Cedar Falls, IA 53613	(319) 266-1535	FC
Hy-Vee, Inc.*	115 S 29 th St. Ford Dodge, IA 50501	(515) 573-4105	FC
Hy-Vee, Inc.*	910 N Jefferson Hwy. Indianola, IA 50125	(515) 961-5329	FC
Hy-Vee, Inc.*	1125 N Didge St. Iowa City, IA 52245	(319) 354-9273	FC
Hy-Vee, Inc.*	2400 2 nd Ave. Muscatine, IA 52761	(563) 264-2420	FC
Hy-Vee, Inc.*	1501 1 st Ave. E Newton, IA 50208	(641) 792-7030	FC
<u>Hy-Vee, Inc.*</u>	<u>1935 South Black Bob Road</u>	<u>(913) 768-1137</u>	<u>FS</u>

	Olathe, KS 66062		
Hy-Vee, Inc.*	8900 W 135 Street Overland Park, KS 55221	(913) 685-3500	FC
<u>FRANCHISEE</u>	<u>LOCATION</u>	<u>TELEPHONE</u>	<u>FULL-SERVICE (FS) OR FAST CASUAL (FC)</u>
Hy-Vee, Inc.*	3540 Clinton Parkway Lawrence, KS 65047	(785) 832-4377	FC
Hy-Vee, Inc.*	2951 SW Wanamaker Rd. Topeka, KS 66614	(785) 272-1763	FC
Hy-Vee, Inc.*	601 N 3 rd Pl. Manhattan, KS 66502	(785) 587-8609	FC
SSP America, Inc.	300 Terminal St., Term. C Boston, MA 02128	(617) 755-6144	FS
<u>SSP America, Inc.</u>	<u>500 Terminal Drive, Term. E Boston, MA 02128</u>	<u>(703) 554-4174</u>	<u>FC</u>
Wahlburgers South Bay Company LLC*	South Bay Center 9 District Ave Boston, MA 02125	(617) 282-5300	FS
Wahlburgers Springfield LLC*	1028 Main Street Springfield, MA 01103	(417) 750-9980	FS
ACW Detroit, LLC	569 Monroe St. Detroit, MI 48226	(313) 209-4499	FS
ACW Grand Rapids, LLC	10 Ionia Ave NW Grand Rapids, MI 49503	(616) 719-1788	FS
Hy-Vee, Inc.*	1307 18 th Ave. NW Austin, MN 55912	(507) 219-5513	FC
Hy-Vee, Inc.*	Mall of America 234 N. Garden Bloomington, MN 55425	(952) 854-1655	FS
Hy-Vee, Inc.*	11852 Elm Creek Blvd North Maple Grove, MN 55369 <u>1315 6th St. NW Rochester, MN 55901</u>	(763) 494-5339(507) 288-8233	FSFC
Hy-Vee, Inc.*	9409 Zane Ave North Brooklyn Park, MN 55443	(763) 488-4500	FC
Hy-Vee, Inc.*	7280 E Point Douglas Rd. S Cottage Grove, MN 55016	(651) 458-7012	FC
<u>Hy-Vee, Inc.*</u>	<u>900 East Main St. Marshall, MN 56258</u>	<u>(507) 532-2248</u>	<u>FC</u>
Hy-Vee, Inc.*	1500 Central Park Commons Dr Eagan, MN 55121	(651) 405-3672	FC
Hy-Vee, Inc.*	16150 Pilot Knob Rd Lakeville, MN 55044	(952) 423-9340	FC
Hy-Vee, Inc.*	8200 42nd Ave N	(763) 531-7472	FC

	New Hope, MN 55427		
Hy-Vee, Inc.*	7180 10th St North Oakdale, MN 55128	(651) 714-3172	FC
Hy-Vee, Inc.*	6150 Egan Drive Savage, MN 55378	(952) 228-2562	FC
Hy-Vee, Inc.*	8155 Highway 65 NE Spring Lake Park, MN 55432	(763) 792-8440	FC
Hy-Vee, Inc.*	1451 Adams Street South Shakopee, MN 55379	(952) 403-1532	FC
Hy-Vee, Inc.*	4221 W Circle 500 <u>Crossroads</u> Dr NW SW Rochester, MN 55901 55902	(507) 292-6012 259- <u>7500</u>	FC
<u>FRANCHISEE</u>	<u>LOCATION</u>	<u>TELEPHONE</u>	<u>FULL-SERVICE (FS) OR FAST CASUAL (FC)</u>
<u>Hy-Vee, Inc.*</u>	<u>1620 S Cedar Ave.</u> <u>Owatonna, MN 55060</u>	<u>(507) 451-0138</u>	<u>FC</u>
Hy-Vee, Inc.*	405 Nifong Blvd. Columbia, MO 65204	(573) 442-6349	FC
Hy-Vee, Inc.*	301 NE Rice Road Lee's Summit, MO 64086	(816) 347-3526	FC
<u>Hy-Vee, Inc.*</u>	<u>405 Nifong Blvd.</u> <u>Columbia, MO 65201</u>	<u>(573) 442-6349</u>	<u>FC</u>
Hy-Vee, Inc.*	625 U.S. 40 Blue Springs, MO 64014	(816) 224-4288	FC
Hy-Vee, Inc.*	5330 Northwest 64th Street, Hawthorne - Picture Hills Kansas City, MO 64151	(816) 505-1311	FC
Hy-Vee, Inc.*	4545 S. Nolan Rd. Independence, MO 64055	(816) 476-6557	FC
Hy-Vee, Inc.*	109 N. Blue Jay Dr. Liberty, MO 64068	(816) 792-3910	FC
Hy-Vee, Inc.*	929 Highway Dr. Osage Beach, MO 65065	(513) 302-7977	FC
Hy-Vee, Inc.*	2150 E Sunshine St. Springfield, MO 65804	(417) 414-6560	FC
Hy-Vee, Inc.*	5212 3 rd Avenue Kearney, NE 68845	(308) 236-0031	FC
Hy-Vee, Inc.*	11650 S. 73rd St. 21351 <u>Nebraska Crossing Dr.</u> <u>Papillion, NE</u> 69046 Gretna, NE 68028	(402) 597-5704 (531) <u>239-3550</u>	FC
Hy-Vee, Inc.*	2107 Taylor Avenue Norfolk, NE 68701 5010 <u>O Street Lincoln, NE</u> <u>68510</u>	(402) 371-7071 483- <u>7707</u>	FC

Hy-Vee, Inc.*	16418 Westside 6001 Village Drive PlattsmouthLincoln, NE 68048 68516	(402) 298-7600 421- 2462	FC
<u>Hy-Vee, Inc.*</u>	<u>1000 S. 178th Street</u> <u>Omaha, NE 68118</u>	<u>(402) 563-4524</u>	<u>FC</u>
Hy-Vee, Inc.*	5020 North 27th Street Lincoln, NE 68521	(402) 477-4764	FC
Hy-Vee, Inc.*	14591 Stoneybrook Blvd. Omaha, NE 68137	(402) 697-0811	FC
Hy-Vee, Inc.*	9707 Q Street Omaha, NE 68127	(402) 339-3047	FC
<u>Hy-Vee, Inc.*</u>	<u>3010 23rd St.</u> <u>Columbus, NE 68601</u>	<u>(402) 569-4524</u>	<u>FC</u>
Hy-Vee, Inc.*	115 Wilmar Ave, Grand Island, NE 68803	(608) 381-3678	FC
<u>Bay Burgers LLC *</u>	<u>3950 Las Vegas Blvd.</u> <u>South</u> <u>Unit</u> <u>121A</u> <u>Las Vegas, NV 89109</u>	<u>(702) 632-7000</u>	<u>FS</u>
Celebrity Burgers LLC*	3635 Las Vegas Blvd. South Unit 100 Las Vegas, NV	(702) 405-9090	FS
<u>FRANCHISEE</u>	<u>LOCATION</u>	<u>TELEPHONE</u>	<u>FULL-SERVICE (FS) OR FAST CASUAL (FC)</u>
	<u>South</u> <u>Unit</u> <u>100</u> <u>Las Vegas, NV 89119</u>		
Atlantic Wahl, LLC	500 Boardwalk Atlantic City, NJ 08401	(609) 783-8868	FS
Inn of the Mountain Gods Resort and Casino	287 Carrizo Canyon Rd. Mescalero, NM 88340	(575) 464-7058	FC
ACW Cincinnati, LLC	199 E. 6th Street Cincinnati, OH 45202	(513) 457-7085	FS
ACW Cleveland, LLC	2105 Ontario Street, Cleveland, OH 44115	(216) 302-1001	FS
Central Ohio Gaming Ventures, LLC	200 Georgesville Rd. Columbus, OH 43228	(614) 308-3333	FC
Youngstown Real Estate Ventures, LLC	655 N Canfield Niles Rd. Youngstown, OH 44515	(877) 788-3777	FC
Dayton Real Estate Ventures, LLC	777 Hollywood Blvd. Dayton, OH 45414	(937) 235-7586	FC
C Berry Burgers LLC*	6242 Northway Drive, Pittsburgh, PA 15237	(412) 536-3991	FS

Robinson Burgers LLC	100 Robinson Ctr. Dr, Ste 2550 Pittsburgh, PA 15205	(412) 744-9089	FS
Hy-Vee, Inc.*	1900 S. Marion Dr. Sioux Falls, SD 57106	(605) 361-3396	FC
Hy-Vee, Inc.*	3000 South Minnesota Ave., Sioux Falls, SD 57105	(605) 234-7231	FC
Hy-Vee, Inc.*	790 – 22nd Ave. S Brookings, SD 57006	(605) 692-7317	FC
Hy-Vee, Inc.*	2100 Broadway Ave. Yankton, SD 57078	(605) 665- 3412	FC
Hy-Vee, Inc.*	3000 South Minnesota Ave., Sioux Falls, SD 57105	(605) 234-7251	FC
Hy-Vee, Inc.*	1601 S Sycamore Ave. Sioux Falls, SD 57110	(605) 534-4530	FC
BP Memphis Inc.*	1 Bass Pro Dr. Memphis, TN 388195	(901) 291-8040	FS
Hy-Vee, Inc.*	The Corners of Brookfield, 325 N Market Street Brookfield, WI 53045	(262) 641-9975	FS
Hy-Vee, Inc.*	322 North Broadway Milwaukee, WI 53202	(414) 223-3005	FS
Hy-Vee, Inc.*	2308 Clairemont Ave. Eau Claire, WI 54701	(715) 598-9525	FC
Hy-Vee, Inc.*	2920 Fitchrona Rd. Fitchburg, WI 53719	(608) 273-5131	FC
Hy-Vee, Inc.*	3801 East Washington Ave. Madison, WI 53704	(608) 244-4696	FC
Hy-Vee, Inc.*	4200 WI-16E Lacrosse, WI 54601	(608) 668-6600	FC
Hy-Vee, Inc.*	2395 S Oneida St., Ste 100 Ashwaubenon, WI	(920) 305-7010	FC
<u>FRANCHISEE</u>	<u>LOCATION</u>	<u>TELEPHONE</u>	<u>FULL- SERVICE (FS) OR FAST CASUAL (FC)</u>
Hy-Vee, Inc.*	2500 Humes Road Janesville, WI 53545	(608) 371-6780	FC

* Indicates a current area developer.

DEVELOPERS WHO HAVE NOT SIGNED A FRANCHISE AGREEMENT ~~SIGNED BUT RESTAURANT NOT OPENED~~ AS OF JANUARY 1/DECEMBER 31, 2023

Franchisee	Location	Telephone
One Team Restaurant Pier 39, LP	The Embarcadero San Francisco, CA	TBD

DEVELOPERS WHO DO NOT HAVE AN EFFECTIVE A FRANCHISE AGREEMENT

Tinseltown Eateries, Inc. 500 Via Val Verde Montebello, CA 60940	Big Apple Burgers, LLC 77 Bayview Avenue West Lindenhurst, NY 11757
Elite Burgers, LLC 214 East 49 th Street, 2 nd Floor New York, NY 10017	Boston Burgers LLC 807 Ponce De Leon Ave. San Juan, Puerto Rico 00907

FRANCHISEES WHO CEASED OPERATION IN FISCAL YEAR ~~2022~~2023

Franchisee	Location	Last Known Telephone Number
Wahlkey, LLC	Key West, FL	(305) 433-2020
Hy-Vee, Inc.	West Des Moines, IA	(515) 225-4885
Hy-Vee, Inc.	Olathe, KS	(913) 768-1137
ACW Detroit, LLC	Detroit, MI	(313) 209-4499
ACW Grand Rapids, LLC	Grand Rapids, MI	(616) 719-1788
Hy-Vee, Inc.	Maple Grove, MN	(763) 494-5339
ACW Cincinnati, LLC	Cincinnati, OH	(513) 457-7085
OneTeam Restaurant PA, LP	Palo Alto, CA	(650) 382-1389
218 Peachtree C Berry Burgers LLC	Atlanta, GA Pittsburgh, PA	(404) 565-1670 (412) 536-3991
Hy-Vee, Inc.	Milwaukee, WI	(414) 223-3005
ACW Royal Oaks LLC	Royal Oak, MI	(248) 850-8601

EXHIBIT ~~KJ~~

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	June 2, 2023
Hawaii	May 4, 2023
Illinois	April 27, 2023
Indiana	April 28, 2023, as amended October 27, 2023
Maryland	August 11, 2023 (Exempt)
Michigan	June 23, 2023, as amended October 27, 2023
Minnesota	June 1, 2023
New York	May 23, 2023, as amended November 3, 2023
North Dakota	July 10, 2023
Rhode Island	June 16, 2023
South Dakota	May 1, 2023
Virginia	April 27, 2023
Washington	July 5, 2023
Wisconsin	April 27, 2023, as amended November 2, 2023

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 Wahlburgers Franchising LLC offers you a franchise, Wahlburgers Franchising LLC 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 that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wahlburgers Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state administrator listed in Exhibit A.

Franchise Seller Information: Name –~~James Smith~~ Randall K. Sharpe and Michael Foster; Address - 350 Lincoln Street, Suite 2501, Hingham, MA 02043; and Telephone Number - 781-749-4972.

Issuance Date: April ~~28¹⁵, 2023, as amended October 27, 2023~~ 2024

I have received a Franchise Disclosure Document issued on April ~~28¹⁵, 2023, as amended October 27, 2023~~ 2024. This disclosure document included the following exhibits: A. List of State Administrators; B.

List of Agents for Service of Process; C. Area Development Agreement; D. Franchise Agreement; E. ~~Tiered Royalty Addenda~~; ~~F. Confidentiality Agreement~~; ~~G.F. Online Merchandise Sharing Program~~; ~~H.G. Financial Statements~~; ~~I.H. State Specific Addenda~~; ~~J.I. List of Franchisees and Franchised Locations~~; and ~~K.J. State Effective Dates~~.

Date of Receipt: _____

Signature

Print Name

Company Name

Street Address

Telephone Number

City, State

Zip Code

TO BE RETAINED BY YOU

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 Wahlburgers Franchising LLC offers you a franchise, Wahlburgers Franchising LLC 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 that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wahlburgers Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state administrator listed in Exhibit A.

Franchise Seller Information: Name – ~~James Smith~~ Randall K. Sharpe and Michael Foster; Address - 350 Lincoln Street, Suite 2501, Hingham, MA 02043; and Telephone Number - 781-749-4972.

Issuance Date: April ~~28~~15, ~~2023, as amended October 27, 2023~~2024

I have received a Franchise Disclosure Document issued on April ~~28~~15, ~~2023, as amended October 27, 2023~~2024 . This disclosure document included the following exhibits: A. List of State Administrators; B. List of Agents for Service of Process; C. Area Development Agreement; D. Franchise Agreement; E. ~~Tiered~~ Wahlburgers FDD

~~11/23~~
04/24

~~Royalty Addenda~~; ~~F.~~ Confidentiality Agreement; ~~G.F.~~ Online Merchandise Sharing Program; ~~H.G.~~ Financial Statements; ~~H.~~ State Specific Addenda; ~~J.~~ List of Franchisees and Franchised Locations; and ~~K.J.~~ State Effective Dates.

Date of Receipt: _____

Signature

Print Name

Company Name

Street Address

Telephone Number

City, State

Zip Code

TO BE RETURNED TO WAHLBURGERS FRANCHISING LLC