

## ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

Unit Name	North 2nd	South Alpine	Lexus	Riverside	Auburn	Adamson	Roscoe	Highcrest	Average
<b>Gross Sales</b>	<b>\$ 2,426,888.00</b>	<b>\$ 3,574,211.00</b>	<b>\$ 3,636,569.00</b>	<b>\$ 3,263,425.00</b>	<b>\$ 2,653,088.00</b>	<b>\$ 2,746,323.00</b>	<b>\$ 3,226,242.00</b>	<b>\$ 2,505,466.00</b>	<b>\$ 3,004,026.50</b>
<b>Cost of Goods Sold</b>									
Food costs	\$ 825,141.92	\$ 1,286,715.96	\$ 1,127,336.39	\$ 1,109,564.57	\$ 822,457.69	\$ 990,672.28	\$ 1,096,922.28	\$ 801,749.12	
All Employees	\$ 741,000.00	\$ 996,354.17	\$ 1,099,365.25	\$ 894,566.39	\$ 557,148.48	\$ 631,654.29	\$ 645,289.10	\$ 561,207.15	
Taxes-Payroll	\$ 44,169.36	\$ 55,042.84	\$ 63,639.95	\$ 52,541.14	\$ 39,000.39	\$ 44,215.80	\$ 45,170.23	\$ 39,284.50	
<b>Total COGS</b>	<b>\$ 1,610,311.28</b>	<b>\$ 2,338,112.97</b>	<b>\$ 2,290,341.59</b>	<b>\$ 2,056,672.10</b>	<b>\$ 1,418,606.56</b>	<b>\$ 1,666,542.37</b>	<b>\$ 1,787,381.61</b>	<b>\$ 1,402,240.77</b>	<b>\$ 1,821,276.16</b>
<b>Expenses</b>									
Utilities	\$ 57,228.00	\$ 72,600.00	\$ 95,628.00	\$ 87,576.00	\$ 67,644.00	\$ 84,084.00	\$ 83,448.00	\$ 108,552.00	
Advertising	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
Credit Card Charges	\$ 60,672.20	\$ 89,355.28	\$ 90,914.23	\$ 81,585.63	\$ 66,327.20	\$ 68,658.08	\$ 80,656.05	\$ 62,636.65	
Office Supplies	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	
Repair and Maintenance	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
Pest Control	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	
Landscape	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	
IPOS	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	
Alarm system	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
Internet	\$ 4,020.00	\$ 4,020.00	\$ 4,020.00	\$ 4,020.00	\$ 4,020.00	\$ 4,020.00	\$ 4,020.00	\$ 4,020.00	
Rubbish Removal	\$ 8,484.00	\$ 8,484.00	\$ 8,484.00	\$ 8,484.00	\$ 8,484.00	\$ 8,484.00	\$ 8,484.00	\$ 8,484.00	
<b>Total Expenses</b>	<b>\$ 190,184.20</b>	<b>\$ 234,239.28</b>	<b>\$ 258,826.23</b>	<b>\$ 241,445.63</b>	<b>\$ 206,255.20</b>	<b>\$ 225,026.08</b>	<b>\$ 236,388.05</b>	<b>\$ 243,472.65</b>	<b>\$ 229,479.66</b>
<b>Net Income</b>	<b>\$ 626,392.52</b>	<b>\$ 1,001,858.76</b>	<b>\$ 1,087,401.19</b>	<b>\$ 965,307.28</b>	<b>\$ 1,028,226.24</b>	<b>\$ 854,754.56</b>	<b>\$ 1,202,472.34</b>	<b>\$ 859,752.58</b>	<b>\$ 953,270.68</b>
Royalties 6%	\$ 145,613.28	\$ 214,452.66	\$ 218,194.14	\$ 195,805.50	\$ 159,185.28	\$ 164,779.38	\$ 193,574.52	\$ 150,327.96	
Brand Fund 1%	\$ 24,268.88	\$ 35,742.11	\$ 36,365.69	\$ 32,634.25	\$ 26,530.88	\$ 27,463.23	\$ 32,262.42	\$ 25,054.66	
<b>Estimated Net Income</b>	<b>\$ 456,510.36</b>	<b>\$ 751,663.99</b>	<b>\$ 832,841.36</b>	<b>\$ 736,867.53</b>	<b>\$ 842,510.08</b>	<b>\$ 662,511.95</b>	<b>\$ 976,635.40</b>	<b>\$ 684,369.96</b>	<b>\$ 742,988.83</b>

The financial performance statistics above are a historical financial performance representation from the eight (8) established affiliate-owned stores that were in operation before or as of January 1, 2023.

Company-owned outlets do not pay royalty fees or brand fund contributions. However, calculations of royalty fees and brand fund contributions IF company-owned outlets did pay such are included above. Other than the items, there are no material, financial or operating characteristics of company-owned outlets that are reasonably anticipated to differ materially from future operational franchised outlets.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll do as well.**

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the above representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Megan Rosen, 1627 N. Alpine Road, Rockford, Illinois, 61107, or 815-637-1008, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System-wide Outlet Summary**  
**For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company – Owned	2021	7	8	+1
	2022	8	8	0
	2023	8	8	0
Total Outlets	2021	7	8	+1
	2022	8	8	0
	2023	8	8	0

**Table No. 2**  
**Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)**  
**For Years 2021 to 2023**

State	Year	Number of Transfers
None	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
None	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0