FRANCHISE DISCLOSURE DOCUMENT



EUG FRANCHISING, LLC
a Delaware limited liability company
100 Dunbar Street, Suite 301
Spartanburg, SC 29306
Phone: (864) 310-2408
info@eggsupgrill.com
www.eggsupgrill.com

The franchise is the right to establish and operate an Eggs Up Grill family restaurant featuring breakfast and lunch food items and beverages.

The total investment necessary to begin operation of an Eggs Up Grill Restaurant is $821,500 to $1,141,000. This includes $71,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to acquire development rights under an Area Development Agreement typically ranges from $50,000 (for 2 restaurants) to $125,000 (for 5 restaurants), all of which must be paid to the franchisor or its affiliates. This entire amount must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact EUG Franchising, LLC at 100 Dunbar Street, Suite 301, Spartanburg, SC 29306, phone: (864) 310-2408.

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

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

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

ISSUANCE DATE: May 14, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in South Carolina. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with franchisor in South Carolina than in your own state.

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY MICHIGAN FRANCHISE INVESTMENT LAW ONLY

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition against you joining an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which would deprive you of rights and protections provided under the Michigan Franchise Investment Law. This does not preclude you, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits the franchisor to terminate your franchise prior to the expiration of its term except for good cause. Good cause includes your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits the franchisor to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration, of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This provision applies only if:

(i) The term of the franchise is less than five years; and

(ii) You are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or if you do not receive at least six months advance notice of the franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew the franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This provision does not require a renewal provision in the Franchise Agreement or other agreement.

(f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This does not preclude you from entering into an agreement, at the time of the arbitration, to conduct arbitration at a location outside of Michigan.

(g) A provision that permits the franchisor to refuse to permit a transfer of ownership of the franchise, except for good cause. This provision does not prevent the franchisor from exercising its right of first refusal to purchase the franchise. Good cause includes, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonably qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to the franchisor items that are not uniquely identified with the franchisor. This does not prohibit a provision that grants the franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does it prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in (c), above.

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building
525 West Ottawa, 5th Floor
Lansing, Michigan 48913
Telephone Number: (517) 335-7567

Note: Despite paragraph (f) above, we intend to fully enforce the arbitration provisions of our Franchise Agreement and Area Development Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

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Applicable state law might require additional disclosures related to the information contained in this disclosure document, and might require a rider to the Franchise Agreement. These additional disclosures and riders, if any, appear in Exhibit I.

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

To simplify the language in this franchise disclosure document (this "disclosure document"), we use the terms "we" or "us" to refer to the franchisor, EUG Franchising, LLC. When we refer to our affiliates, we will refer to them using the names outlined below. "You" means the person or entity that buys the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below) and related agreements will also apply to your owners.

The Franchisor.

The franchisor is EUG Franchising, LLC. Our principal business address is 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306. We do business only under our corporate name and as "Eggs Up Grill." We are a limited liability company formed in the State of Delaware on February 21, 2018, and we began offering franchises of the type described in this disclosure document in April 2018.

Our Parents, Predecessors and Affiliates.

Our predecessor is Egg Ventures, Inc. ("EVI"), a South Carolina corporation formed on May 22, 2003. Its principal business address is 277-A Willbrook Boulevard, Pawleys Island, South Carolina 29585. On March 29, 2018, EVI sold the majority of its assets and the owners of EVI sold their interests in EVI to our parent, EUG Holdco, LLC ("EUG Holdco"). While EVI's existing franchise agreements were transferred in that transaction to EUG Holdco, those agreements were immediately transferred by EUG Holdco to us.

EUG Holdco, our immediate parent, is a Delaware limited liability company, formed on February 21, 2018. WJ Breakfast Brands, LLC, a Delaware limited liability company formed on February 21, 2018, owns a majority of EUG Holdco, and a minority interest in EUG Holdco is held by EVI. EUG Holdco and WJ Breakfast Brands, LLC share our principal address.

Our affiliate, EUG GC, LLC, is an Arizona limited liability company formed on March 22, 2018, and manages the gift and loyalty card programs for the Eggs Up Grill system, in which our franchisees participate. It shares our principal address.

Agents for Service of Process.

Our agent for service of process in our jurisdiction of organization (Delaware) is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. Please see Exhibit A to this disclosure document for a list of the names and addresses of our agents for service of process in certain other states.

Prior Experience.

We were formed solely to act as the franchisor of Eggs Up Grill franchises. Neither we, our parent, nor any of our affiliates has ever operated an Egg Up Grill restaurant of the type that is being franchised. Our parent and affiliates have never offered franchises in this or any other lines of businesses, and we have never offered franchises in any other lines of business.

From March 2005 to March 29, 2018, our predecessor, EVI offered franchises for restaurants that use and are identified by certain specified and distinct business formats, methods, procedures, signs, designs, layouts, standards, specifications and marks (including "Eggs Up Grill") and that serve breakfast and lunch items in a family atmosphere ("Eggs Up Grill

Restaurants"). It was not operating any Eggs Up Grill Restaurants at the time its assets were acquired by our parent, but we believe that certain of its affiliates had previously done so.

The Franchises We Offer.

The franchises we currently offer and that are described in this disclosure document are for the development, ownership and operation of a single Eggs Up Grill Restaurant at a location that you select and that we approve. To acquire a franchise, you must sign our form of Franchise Agreement and related agreements (a "Franchise Agreement"), the forms of which are attached to this disclosure document as Exhibit B. Each Eggs Up Grill Restaurant is governed by a separate Franchise Agreement. If you are a corporation, limited liability company or other legal entity, your owners will be required to sign an agreement (the form of which is an exhibit to the Franchise Agreement) pursuant to which they each personally assume and guarantee your obligations under the Franchise Agreement. If the person who signs the guaranty is married, but their spouse is not an owner of you, we will require them to sign your guaranty for the limited purposes of (a) assuming the confidentiality and non-competition obligations under the Franchise Agreement, and (b) acknowledging that their spouse's execution of the guaranty may impact the marital assets (including the non-owners spouse's interests in the marital assets). A non-owning spouse is not otherwise obligated under the guaranty.

We may offer you the right to enter into an Area Development Agreement (the "Area Development Agreement"), under which you would agree to acquire a specified number of franchises and open, according to a specified schedule (the "Development Schedule"), a corresponding number of Eggs Up Grill Restaurants, each under a separate Franchise Agreement, within a specifically described geographic territory (the "Development Area"). The form of Area Development Agreement you would sign, if we were to make that opportunity available to you, is attached as Exhibit C to this disclosure document. For each Eggs Up Grill Restaurant you develop, you must sign our then-current form of Franchise Agreement, which may be different than the form we were using when you signed the Area Development Agreement.

Market Competition.

The restaurant market, including restaurants that focus on breakfast and lunch, is highly competitive and very well developed. Your competition includes all restaurant concepts generally, and restaurants operating during breakfast and lunch dayparts specifically. You will be competing both for customers and for locations.

Regulations.

You should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts, sanitary conditions of restaurant facilities, and extended producer liability (concerning food service ware and/or food packaging materials) that may impose reporting requirements, fees, and other obligations, and requirements regarding recyclability, compostability, and/or minimum post-consumer recycled content requirements. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. Compensation of restaurant employees (including minimum wage and overtime requirements) is governed by both federal and state laws. You must also obtain a beer and wine license to sell wine and beer, and you may have liability imposed on you by Dram Shop Laws. You will need to understand and comply with these laws in

operating the Restaurant. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

ITEM 2
BUSINESS EXPERIENCE

Ricky Richardson, Chief Executive Officer

Mr. Richardson has served as our Chief Executive Officer in Spartanburg, South Carolina, since July 2018.

Kayla Money, Chief Financial Officer

Ms. Money has served as our Chief Financial Officer in Spartanburg, South Carolina since February 2026. She previously served as Senior Director of Finance for Denny's Corporation from January 2023 to February 2026 and as its Director of Finance from February 2020 to January 2023 in Spartanburg, South Carolina.

Jennifer Folger, Vice President, Franchise Growth

Ms. Folger has served as our Vice President, Franchise Growth in Spartanburg, South Carolina since May 2025. From January 2015 to October 2024, Ms. Folger was employed by Tropical Smoothie Café, including most recently as Vice President of Franchise Development from August 2018 to October 2024 in Atlanta, Georgia. From October 2024 to April 2025, Ms. Folger was between positions.

Christina McKinney, Vice President of Marketing & Communication

Ms. McKinney has served as our Vice President of Marketing & Communication in Spartanburg, South Carolina since November 2023. She previously served as Senior Director of Marketing for Denny's Restaurant from July 2012 to November 2023 in Spartanburg, South Carolina.

Mira Stsiapanau, Vice President of Operations & Training

Ms. Stsiapanau has served as our Vice President of Operations & Training since October 2023. She previously served as District Manager III for Denny's Restaurant from October 2017 to October 2023 in Spartanburg, South Carolina.

Julie Krupa, Vice President, Real Estate & Development

Ms. Krupa has served as our Vice President, Real Estate & Development in Spartanburg, South Carolina since July 2025. She previously served as our Director of Development from February 2023 to July 2025. Prior to joining us, Ms. Krupa served as Real Estate Manager for Inspire Brands in Atlanta, Georgia from July 2022 to February 2023, Senior Real Estate Manager for Torchy's Tacos in Austin, Texas from July 2021 to June 2022, and Senior Manager of Franchise Development for Yum Brands in Irvine, California from May 2014 to June 2021.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You will pay us an initial franchise fee of $45,000 in a lump sum when you sign the Franchise Agreement. We fully earn the initial franchise fee when we execute the Franchise Agreement. The initial franchise fee is not refundable and is uniformly imposed.

VetFran Discount

We are a member of the International Franchise Association ("IFA") and participate in the IFA's VetFran Program. We provide a 15% discount off the initial franchise fee for veterans of the U.S. Armed Forces who have been honorably discharged, provide us with a copy of their DD214, and will be a majority owner (51% or more) of the business.

Development Fee

If we elect to sign an Area Development Agreement with you, you would pay us an area development fee (the "Development Fee") equal to $25,000 multiplied by the number of Eggs Up Grill Restaurants you agree to develop. A typical Area Development Agreement would require the development of 2 to 5 Eggs Up Grill Restaurants (a "Typical Development Deal"), depending on the size of the Development Area, requiring payment of a Development Fee ranging from $50,000 to $125,000 ($25,000 times the number of Restaurants required to be developed). We credit the Development Fee, in $25,000 increments, toward the initial franchise fee that is due as Franchise Agreements are signed until the aggregate amount of these credits equals the Development Fee. A Typical Development Deal would require that one Restaurant be opened every 9 to 12 months after signing the Area Development Agreement until all Restaurants to be developed under the Area Development Agreement are open. We will fully earn the Development Fee when you pay it, and you must pay us the fees in one lump sum.

Technology Setup Fee

Under the Franchise Agreement, you must pay us a fee of $1,000 in lump sum for our initial costs associated with the setup and integration of your computer system prior to opening your Restaurant. The technology setup fee is not refundable and is uniformly imposed.

Grand Opening Marketing Program Deposit

Under the Franchise Agreement, you must deposit $10,000 with us in lump sum in connection with the grand opening marketing program. The deposit is due on the earlier of the date you begin construction of your Restaurant or, if applicable, the date you receive funding from third-party financing for the development of your Restaurant. The deposit will not bear interest. You will draw from the deposit for the costs of goods, services, and expenses you incur in

connection with the grand opening marketing program we design. The grand opening marketing program deposit is uniformly imposed and is not refundable.

New Restaurant Opening Training Deposit

Under the Franchise Agreement, you must deposit $15,000 with us in lump sum in connection with new restaurant opening onsite training expenses. The deposit is due on the earlier of the date you begin construction of your Restaurant or, if applicable, the date you receive funding from third-party financing for the development of your Restaurant. We will apply this deposit toward your payment of the travel expenses and per diem (currently $500 per trainer, per day) for our opening team members who will assist you with training and opening support during the first week of your Restaurant's opening as required by the Franchise Agreement. Within 30 days after you open your Restaurant, we will deliver an invoice for the new restaurant opening onsite training expenses. If your invoice is less than the deposit, we will refund the difference to you. The new restaurant opening training deposit is uniformly imposed and, except as set forth above, is not refundable.

Referral Fee.

In some instances, when a new franchisee was referred to us from an existing franchisee's restaurant, who ultimately purchased a franchise for an Eggs Up Grill Restaurant, we have paid the referring franchisee $1,500. We may discontinue or change the amount of the referral fee at any time.

ITEM 6
OTHER FEES

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Royalty	5% of Gross Sales	Weekly	"Gross Sales" include all revenue derived from operating the Restaurant, in whatever form (including student meal cards, meal vouchers, tokens, tickets and comparable methods) but excludes (1) sales, use, or service taxes and (2) documented refunds, credits and discounts to customers and employees. Gift certificate, gift card or similar program payments are included when the gift certificate, gift card, other instrument or applicable credit is redeemed. Gross Sales also include all insurance proceeds received for loss of business due to a casualty or similar event. Tips will be included in Gross Sales only to the extent you retain them and do not distribute them as compensation to your employees.
Technology Fee	$82 per week	Weekly, with Royalty (subject to our right to modify timing and manner of payment)	We may periodically modify the amount of the Technology Fee, subject to a cap of $200 per week. We may require you to enter into written agreements with us or our affiliates to receive such services, with terms and conditions we approve. Some technology services may also be offered separately for an additional fee.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Brand Promotion Fund[2]	1.6% of Gross Sales, subject to increase up to the Marketing Cap	Weekly, with Royalty	We have capped at 4% of Gross Sales (the "Marketing Cap") the total amount of your required marketing spend (including required contributions to the Brand Promotion Fund, required local advertising co-op contributions, and the minimum amount you are required to spend on your own local advertising). We may change the percentage of Gross Sales attributable to each marketing vehicle, but in all cases subject to the aggregate Marketing Cap. The Marketing Cap represents the maximum amount we are able to require you to spend. We do not represent that the Marketing Cap is all you should spend to market your Restaurant, but anything above the Marketing Cap will be at your discretion. Further, during your Restaurant's 1st 12 months of operation, we have capped at 2% of Gross Sales the total amount of your required marketing spend (including required contributions to the Brand Promotion Fund, required local advertising co-op contributions, and the minimum amount you are required to spend on your own local advertising).
Local Advertising Cooperative[3]	Unlimited; based on the vote of a majority of the members of the Local Co-Op	Weekly, as determined by Local Co-Op	If you are required to contribute to a local advertising co-operative, your contributions to the co-op will be made directly to and will be managed by the co-op's officers and directors. However, we may assume the management of the co-op and, in that event, require that you pay your contributions directly to us. (Note: only contributions to an approved local advertising co-op of up to 1% of your Gross Sales will count toward the Marketing Cap unless we approve otherwise in advance).
Local Advertising	At least 0.4% of Gross Sales, subject to increase but not higher than the Marketing Cap	Weekly	Each week, we may require you to spend at least 0.4% of Gross Sales to promote your Restaurant in your local market. We may increase the required local amount subject to the overall Marketing Cap. We may require that, instead of spending these funds yourself, you pay them to the Brand Promotion Fund or a local advertising co-op, or that you pay them to us or our designee, in either case, on a weekly basis. If you are required to pay them to us or our designee, we will spend them to promote your Restaurant.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Annual Conference Fee	$2,500	As incurred	We require your Managing Owner to attend an annual meeting of franchise owners and/or meetings for regional franchise owners. We may charge this fee whether or not you attend such meeting. You will also be required to pay all your travel, lodging, food, and other expenses for each of your attendees. Attendance at any additional training courses, programs or events, or any annual or regional franchise owner meetings, will not be required for more than 5 days during a calendar year (which days may not necessarily be consecutive). This fee is subject to annual increase of up to 10% annually on a compounding basis regardless of whether we exercise such adjustment in any calendar year.
Opening Training Expenses	$500 per trainer, per day, plus our trainers' costs of traveling to and from your Restaurant	Within 10 days following our invoice	If you are signing a Franchise Agreement for your first or second Restaurant, we will send 3 or more trainers to your Restaurant to assist with training and opening support during the first week of your Restaurant's operations. If you are signing a Franchise Agreement for your third or subsequent restaurant, we will send 1 trainer to your Restaurant to assist with training and opening support during the first week of your Restaurant's operations, and you will be responsible for providing additional trainers approved by us at your own cost. You will be responsible for reimbursing us for the costs of our trainers' travel, and paying us a per diem to cover the trainers' incidental expenses such as meals and lodging while providing the assistance. The nature of the services, the length of time they are provided, the number of trainers, and the timing of them will be at our discretion, may be modified, and are subject to our trainers' availability. We may change the amount of the per diem from time to time at our discretion. After completion of the opening training and your opening, we will send you an invoice for the full per diem and travel costs. This fee is subject to annual increase of up to 10% annually on a compounding basis regardless of whether we exercise such adjustment in any calendar year.
Interest on Late Payment	2% per month or the maximum rate allowed by applicable state law, whichever is lower. $100 per returned check or ACH denied	As incurred	Interest owed only on past-due amounts. Service fee of $100 per occurrence for checks returned or ACH requests declined due to insufficient funds.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Transfer Fee – Franchise Agreement	If the transfer is of the Franchise Agreement or of a majority of the ownership interests in you, 50% of the initial franchise fee; if the transfer is of a minority of the ownership interests in you, reimbursement of our expenses (plus any training costs the buyer must pay if it desires or is required to attend training program)	As incurred	Payable if we approve a transfer of your Restaurant or of ownership interests in you.
Renewal Fee	50% of the initial franchise fee	Upon renewal	Payable if we approve you to acquire a successor franchise for your Restaurant.
Inspection and Audit Fee	Costs of inspection ($1,000 to $15,000)	Within 15 days of report receipt	You reimburse our costs if examination was done because you failed to provide required reports or reveals a Royalty or Brand Promotion Fund contribution understatement exceeding 2% of the amount that you actually reported. You must also reimburse us for our costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with any re-inspections or follow-up visits we conduct after an audit or inspection of your Restaurant identifies one or more failures of System Standards, or if we or our designees were prevented from properly inspecting your Restaurant. The amount shown is our current estimate of what those costs would be in a typical scenario.
Interim Operations Fee	10% of Gross Sales plus costs and expenses	As incurred	Only if we assume management of your Restaurant because of your failure to comply with the Franchise Agreement. (See Item 15)
Product or Supplier Testing	Our actual costs of review	As incurred	If you request approval of a new product or supplier.
Architectural Review Fee	$1,000	As incurred	If you request approval of a new architect.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Additional Training	$750 per day, per person	As incurred	Initial training is provided for up to 2 people at no cost. However, if additional training is required or re-training is required, you must pay the additional training fee per person. We may charge you for training newly hired personnel; for refresher training courses; and for additional or special assistance or training you need or request. If you have a new Managing Owner or Designated Manager during the term of your Franchise Agreement, such individual must complete our then-current initial training program at our then-current training fee (currently, $5,000) (See Item 11)
Insurance	Amount of unpaid premium, plus reimbursement of our costs and expenses	As incurred	Only if you fail to obtain or maintain insurance, and we exercise our option to obtain or reinstate it for you. You must reimburse us for the cost of the insurance plus a reasonable fee for our services and our out-of-pocket expenses. We estimate that the premiums would range between $12,000 and $20,000.
Indemnification	Amounts awarded and/or our actual costs	As incurred	You must reimburse us and our affiliates if any of us is held liable for claims related to your Restaurant's operations.
Costs and Attorneys' Fees	Actual costs and attorneys' fees	As incurred	Payable only if you do not comply with the Franchise Agreement or the Area Development Agreement, and we are the prevailing party in any relevant litigation or arbitration.
Non-Compliance Charge	Up to $100 per day per failure to comply with the Franchise Agreement (at our discretion)	On demand, the day after non-compliance occurs	Only if you fail to comply with your obligations under the Franchise Agreement (for example, a failure to pay fees or submit reports when due). In addition to any other remedies we have under the Franchise Agreement as a result of the non-compliance.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Lost Revenue Damages	Will vary under circumstances	As incurred	Payable if we terminate the Franchise Agreement, or you terminate it without cause. An amount equal to the net present value of the Royalty fees, Brand Promotion Fund contributions and Local Advertising Cooperative contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination to the scheduled expiration date of the Franchise Agreement. Calculated based on (1) the average monthly Gross Sales of the Restaurant for the 12 months preceding the earlier of (a) the date on which the Restaurant ceased full operations in accordance with the Franchise Agreement or (b) termination (the "Measurement Period"), or (2) if termination occurs before the first anniversary of the Restaurant's initial opening date, the average monthly Gross Sales of all Eggs Up Grill Restaurants during our fiscal year immediately preceding the commencement of the Measurement Period.

NOTES

1. Except as otherwise noted, all fees are imposed by and payable to us or our affiliates. All fees are non-refundable. These fees may not be uniform for franchisees signing the Franchise Agreement.

2. Initially, you will contribute 1.6% of Gross Sales to the Brand Promotion Fund. However, at any time and on notice to you, we may change the amount you must contribute to the Brand Promotion Fund, but we cannot require you to contribute or spend an amount that would cause your aggregate expenditures on marketing to exceed your Marketing Cap.

3. If the Restaurant is in an area covered by a Local Advertising Cooperative, you must contribute to it. The amount of the contribution as well as all other activities of the Local Advertising Cooperative will be determined by the majority vote of all Eggs Up Grill Restaurants located in the area covered by the Local Advertising Cooperative, with each Eggs Up Grill Restaurant having 1 vote. We do not currently require your participation in any Local Advertising Cooperative but may do so in the future.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(FRANCHISE AGREEMENT)

TYPE OF EXPENDITURE[1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee	$45,000	Lump Sum	On Execution	Us

TYPE OF EXPENDITURE[1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Real Estate, Permits, Deposits, Legal[2]	$7,000 - $12,000	As Arranged	As Invoiced	Landlord/Supplier
Architecture & Leasehold Improvements[3]	$440,000 - $615,000	Lump Sum	As Invoiced	Suppliers
Furniture, Fixtures and Equipment[4]	$228,000 - $312,000	Lump Sum	As Invoiced	Suppliers
Signage (Exterior) & Décor (Interior) [5]	$11,500 - $25,000	Lump Sum	As invoiced	Suppliers
Computer Systems[6]	$15,000 - $20,000	As Incurred	As Invoiced	Suppliers
Technology Setup Fee[7]	$1,000	Lump Sum	As Incurred	Us
Opening Inventory[8]	$10,000 - $13,000	Lump Sum	As invoiced	Suppliers
Franchisee & General Manager Related Expenses While Training[9]	$8,000 - $18,000	As Incurred	As Arranged	Suppliers and Employees
New Restaurant Opening Onsite Training Team Expenses[10]	$15,000 - $22,000	Lump Sum	As Arranged	Us, Suppliers and Employees
Insurance Fees[11]	$1,000 - $3,000	As Arranged	Prior to Opening	Suppliers
Grand Opening Advertising[12]	$15,000 - $20,000	As Arranged	On Execution	Us, Suppliers
Additional Funds - 3 months[13]	$25,000 - $35,000	Lump Sum	On and Prior to Execution of Lease	Suppliers and Employees
TOTAL ESTIMATED INITIAL INVESTMENT[14]	$821,500 - $1,141,000			

NOTES:

1. Fees payable to us or our affiliates are not refundable. Whether any of the other payments are refundable will depend on the arrangement between you and the supplier. Neither we nor our affiliates offer financing of your initial investment. Amounts payable to us or our affiliates must be paid by wire, ACH, or check.

2. The cost of acquiring or leasing a location for your Restaurant will vary significantly depending upon the market in which the proposed site is located. A suitable building for a Restaurant will typically range in size from approximately 2,800 square feet to 3,200 square feet. Local market conditions, changes in the economy, and inflation will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary, but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of the Restaurant. This item includes an

estimate of monies that would typically be required to be paid to the landlord on execution of the lease, as well as various building and construction permits, utility deposits, and retention of a lease attorney and accountant. If you are required to make a rent deposit it may be refundable under the terms of the lease. This estimate also includes the cost to obtain and maintain a beer and wine license or permit for your Restaurant, which varies by state and municipality. You should retain legal counsel specialized in obtaining and maintaining beer and wine licenses.

3. This item includes the estimated costs of architects and the retail lease space build-out requirements which may include, but not be limited to, building walls, installing doors, building wall dividers, installing flooring, ceilings and lighting and building counters. Based on our franchisees' recent experience, landlords have been willing to waive rent payments for a period of time and/or to provide tenant improvement allowances of $35 to $40 per square foot; however, there is no guarantee that your landlord will be willing to waive rent payments or provide a tenant improvement allowance or, if it does, that it will be in this range. This will be a matter of negotiation between you and your landlord.

4. This estimate includes the costs of purchasing and installing furniture, fixtures, kitchen equipment, and small kitchen tools and supplies (e.g., coffee pots, pancake dispensers, bus tubs). You will also be required to purchase a music system. You have the option to either purchase or lease a security/video surveillance system.

5. The cost of your exterior building signage will vary depending on type, size and location of the signs, local government regulations, and even the position of your premises within a shopping center (an end-cap location will have signage on both the front and side of the premises). This estimate also includes the cost of certain interior décor and signage for the identification of the Restaurant based on our design criteria. Prior to opening, you must print in-restaurant and take-out menus from templates approved by us.

6. You must acquire an entire point of sale (POS) computing system approved by us to ensure compliance with our System Standards. The system currently consists of SaaS software, Android Handheld devices, computer tablets for training platform, a POS server, cash drawers, printers, a personal computer including Microsoft Office, managed switches, a kitchen display system (KDS), remote printers, magnetic swipe-card, pin or chip readers, high-speed connections, managed security services, firewalls, office printer/scanner, related cable terminations and a maintenance contract.

7. This fee covers our costs associated as a brand resource liaison with vendors for assisting with but not limited to the setup and integration of POS system, menu optimization, Wi-Fi set up, sound system, security system (if purchased by franchisee), digital training platform (EYU) and third-party ordering channel set-up.

8. This item includes the costs of the initial supply of staff uniforms, food and other supplies needed to open and operate the Restaurant.

9. This item covers the initial operator training program held at our training center for you and/or your operating co-owner, and a restaurant manager. This includes the travel and living costs and compensation paid to your employees while attending our initial training program and the fee paid to the third-party provider of the ServSafe® training and test. If you are opening your first Restaurant, we recommend, but do not require, that you and/or your operating co-owner, and restaurant manager attend an additional two-week training at an existing Restaurant wherein you will shadow the Restaurant owner.

10. You will deposit $15,000 with us to be allocated to your new restaurant opening onsite training expenses prior to the earlier of the date you begin construction of your Restaurant or, if applicable, the date you receive funding from third-party financing for the development of your Restaurant. You will reimburse us for the travel expenses and per diem for our opening team members who will assist you with training and opening support during the first week of the Restaurant's opening. Within 30 days after you open your Restaurant, we will deliver an invoice for the new restaurant opening onsite training expenses. If your invoice is less than the deposit, we will refund the difference to you. Otherwise, you will pay us the difference.

11. You must, at your own expense, keep in force insurance policies for your Restaurant. We may change types and amounts of coverage. This estimate is based on our current requirements. Your lease agreement may require higher insurance limits than those stated above. This item reflects the prepay portion of the estimated first year's premiums for insurance.

12. You are required to implement a grand opening marketing program we design. We will collaborate with you in the design and execution of the grand opening marketing program though you will be required to pay all costs associated with the plan. You must conduct grand opening activities with our assistance and approval and using materials and programs we approve. We will determine the amount of your grand opening marketing spend (not to exceed $15,000 without your consent) based on factors we determine such as the extent of familiarity with the Eggs Up Grill concept in the area where you will be operating your Restaurant. You will deposit $10,000 with us to be allocated to your grand opening marketing spend prior to the earlier of the date you begin construction of your Restaurant or, if applicable, the date you receive funding from third-party financing for the development of your Restaurant.

13. Our estimates of the amounts needed to cover your expenses for the start-up phase (3 months from the date the Restaurant opens for business) of your Restaurant include: replenishing your inventory, lease payments, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities and other variable costs. These amounts do not include any estimates for debt service on loans that you obtain to finance your Restaurant. The estimated figures shown above for additional funds are based primarily on information provided to us by other franchisees who developed Eggs Up Grill. They also reflect our own investigation of these costs, including using information provided to us by certain vendors.

14. Your actual costs will depend on factors such as: geography, the availability of sites; your Restaurant size and location; construction costs; your discretionary expenditures; the availability of leasing or financing arrangements; your credit rating; and other factors. Because the figures listed in the chart above are only estimates, it is possible both to reduce and to exceed costs in any of the areas listed above. To avoid excessive construction costs, we require that you pick contractors carefully by obtaining several competitive bids beforehand. These estimates do not include extensive exterior renovations.

You should review all figures in this Item 7 carefully with a business advisor before you decide to purchase the franchise.

YOUR ESTIMATED INITIAL INVESTMENT

(AREA DEVELOPMENT AGREEMENT)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee[1]	$50,000 to $125,000	Lump Sum	On Execution	Us
TOTAL ESTIMATED INITIAL INVESTMENT	$50,000 to $125,000			

NOTE:

1. The actual amount of the Development Fee will depend on the number of Restaurants you agree to develop under the Development Schedule because the Development Fee is equal to $25,000 times the number of Restaurants you agree to open. For example, if you agree to open 2 Restaurants, the Development Fee would be $50,000; if you agree to open 5 Restaurants, the Development Fee would be $25,000 × 5, or $125,000. We apply this fee, in $25,000 increments, toward the initial franchise fee due under each Franchise Agreement signed in accordance with the Area Development Agreement.

This amount is in addition to the fees and expenses you will incur in opening each Eggs Up Grill Restaurant you commit to develop under the Area Development Agreement.

Unless otherwise noted, all payments are non-refundable or are refundable only under any agreement between you and the vendor or supplier to whom you have made the payment.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

In order to maintain the quality and uniformity of all food products, menu items, ingredients, services, products, materials, forms, items, supplies, fixtures, furnishings and equipment utilized in or by Eggs Up Grill Restaurants, we may periodically issue certain mandatory standards, specifications, operating procedures and rules for Eggs Up Grill Restaurants (the "System Standards"). You must strictly comply with all System Standards. In constructing and operating the Restaurant, you must use only those types of food items, condiments, construction and decorative materials, fixtures, equipment, furniture and signs and other products and services ("Operating Assets") that we have approved according to our System Standards for appearance, function and performance. We will not issue to you or to our approved suppliers (except as we deem necessary for purposes of production) the System Standards for proprietary Operating Assets. We will otherwise communicate our System Standards and the approved Operating Assets to you in the prototype architectural plans for an Eggs Up Grill Restaurant, in the Operations Manual (as defined in Item 11) and otherwise in writing.

Approved or Designated Suppliers

To facilitate consistency and quality among Eggs Up Grill Restaurants and our ability to leverage volume purchasing power, we may approve or designate all vendors and suppliers of products and services you use in developing, operating and promoting your Restaurant. As part of our System Standards, we may require you to purchase all Operating Assets from suppliers

approved by us in writing, or designated by us as the exclusive supplier of such Operating Asset. We will provide a list of approved and designated suppliers in the Operations Manual or otherwise in writing. We and our affiliates are not currently approved or designated suppliers but we may be, including by designating ourselves or our affiliates as the sole suppliers of Operating Assets.

Currently, we require you to use our designated vendors for (i) site location (designated brokers), (ii) architecture and interior design services, (iii) food procurement and distribution, (iv) beverages (soft drinks and coffee/tea), (v) local store marketing and promotion, and (vi) point-of-sale hardware and related software. In each case, we or our affiliates have negotiated system-wide agreements with the vendors for an agreed upon price per restaurant. We or our affiliates may from time to time elect to pay such vendors directly and invoice you for the costs. You must also purchase all other Operating Assets from suppliers we have approved.

We may in the future designate ourselves or an affiliate as an approved supplier of any goods and any other services that are used in the development or operation of your Restaurant.

As of the date of this disclosure document, none of our officers owns an interest in any approved suppliers.

We estimate that 75% to 85% of your initial investment and 75% to 85% of your ongoing expenditures will be directed to purchase products and services that will be restricted by us in some manner.

Alternative Products, Services and Suppliers

If you propose to purchase any products or services that we have not approved, or from any supplier that we have not approved, you must first notify us in writing, using our vendor approval process and application. You must also submit to us sufficient specifications, photographs, drawings and other information or samples for us to determine whether the proposed products or services comply with our System Standards, and/or the proposed supplier meets our approved supplier criteria. We will notify you of our approval or disapproval of all proposed products, services or suppliers in writing to you within a reasonable time, typically within 30 days after receipt of the information from you or from the proposed supplier. We may charge you a fee (estimated to be up to $250) for testing and evaluating suppliers or products and services. We may also impose limits on the number of suppliers, products and services that we are willing to review. We maintain a list of criteria for reviewing and approving products, services, and suppliers; however, we do not issue these criteria to you. We may periodically re-inspect any approved products or services, or the facilities and products and services of any approved supplier and to revoke our approval in writing if such product, service or supplier does not continue to meet any of our criteria. We may choose not to authorize similar variations or accommodations to you or other franchise owners, and variations or accommodations we grant you for one Eggs Up Grill restaurant are not automatically authorized for other Restaurants owned by you.

Insurance

You must maintain in force at your sole expense insurance policies for the Restaurant as required under applicable law and in minimum types and amounts of coverage we require. Our current minimum insurance requirements are as follows: "all risk" property insurance (coverage for replacement cost for value of building and contents); business interruption insurance; automobile liability (coverage of at least $1,000,000 single limit each accident; owned, non-owned and hired autos); workers compensation (statutory limits); comprehensive general liability with product and completed operations, broad form contractual liability, personal injury and advertising injury, property damage, and fire and water damage legal liability (coverage of at least $1,000,000

per occurrence, $2,000,000 aggregate); beer and wine liability of not less than $1,000,000 per occurrence; and umbrella coverage (coverage of at least $1,000,000 per occurrence, $2,000,000 aggregate). You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which the Restaurant is operated.

We may periodically change the amounts of coverage required under these insurance policies or require different or additional insurance coverages at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums.

Purchase Arrangements, Material Benefits and Revenue

In some cases, we or our affiliates will negotiate purchase arrangements, including prices and terms, with designated and approved suppliers on behalf of Eggs Up Grill Restaurants. Currently, we have negotiated purchase arrangements, including pricing terms, with a distributor of products and ingredients used in the operation of Eggs Up Grill Restaurants as well as certain designated suppliers of: (i) certain food and beverage items, (ii) smallwares; (iii) point-of-sale software and equipment; (iv) equipment and furniture; (v) paper and cleaning products; (vi) health and safety inspections; (vii) retail items, employee uniform shirts and aprons; (viii) artwork; (ix) audio and visuals used in the restaurants.

In addition, we or our affiliates may derive revenue or other material consideration from approved suppliers based on purchases made by us, our affiliates or our franchisees of the supplier's products or services (e.g., rebates) and for sales of required products and services we or our affiliates make to franchisees. The basis for those amounts varies depending on the vendor, but they currently include (i) 1% to 5% of the prices of the products or services purchased; (ii) $1 to $1,000 per unit purchased or leased, and (iii) $700 for each Eggs Up Grill Restaurants open for the entire preceding year (or a pro-rata portion thereof for each Eggs Up Grill Restaurant open for a portion of such year) for menu development. During our 2025 fiscal year, we received $322,154 from approved vendors for required purchases or leases by franchisees, of which $46,329 was paid by the vendor and designated for use by the Brand Promotion Fund. This represents 3.33% of our total revenue of $9,676,537 during our 2025 fiscal year. Additionally, during 2025, we received $246,455 in contributions from vendors/suppliers to fund for our annual owners' conference.

Unless provided in the agreement with the approved supplier, neither we nor our affiliates are obligated to spend funds received from approved suppliers nor are we or they bound to spend such funds in any particular manner or for any particular purpose.

As of the date of this disclosure document, there are no purchasing or distribution cooperatives for any of the items described above.

Other than as described above, we do not provide any material benefits to franchisees based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
A. Site selection and acquisition/lease	Franchise Agreement: Sections 2.A and 2.B Area Development Agreement: Section 6	Items 8 and 11
B. Pre-opening purchases/leases	Franchise Agreement: Sections 2.E and 2.F Area Development Agreement: Not Applicable	Items 5, 7, 8, and 11
C. Site development and other pre-opening requirements	Franchise Agreement: Section 2 Area Development Agreement: Section 6	Items 7, 8, and 11
D. Initial and ongoing training	Franchise Agreement: Section 4.A Area Development Agreement: Not Applicable	Item 11
E. Opening	Franchise Agreement: Section 2.C Area Development Agreement: Sections 2 and 6.D	Item 11
F. Fees	Franchise Agreement: Section 3 Area Development Agreement: Section 7	Items 5, 6 and 7
G. Compliance with System Standards / Operations Manual	Franchise Agreement: Sections 4.B, 4.C and 8 Area Development Agreement: Not Applicable	Items 8, 11 and 14
H. Trademarks and proprietary information	Franchise Agreement: Section 5 Area Development Agreement: Section 8	Items 13 and 14

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
I. Restriction on products/services offered	Franchise Agreement: Section 8.B Area Development Agreement: Not Applicable	Items 8 and 16
J. Warranty and customer service requirements	Franchise Agreement: Section 8.E Area Development Agreement: Not Applicable	Not applicable.
K. Territorial development and sales quotas	Franchise Agreement: Not Applicable Area Development Agreement: Sections 6.D and 6.E	Item 12
L. Ongoing product/service purchases	Franchise Agreement: Sections 8.B and 8.D Area Development Agreement: Not Applicable	Item 8
M. Maintenance, appearance and remodeling requirements	Franchise Agreement: Sections 8.A and 8.I Area Development Agreement: Not Applicable	Item 11
N. Insurance	Franchise Agreement: Section 8.F Area Development Agreement: Not Applicable	Item 7
O. Advertising	Franchise Agreement: Section 9 Area Development Agreement: Not Applicable	Items 6, 8 and 11
P. Indemnification	Franchise Agreement: Sections 5.E, 16.D and 17.J Area Development Agreement: Section 12.B	Item 6
Q. Owner's participation, management, and staffing	Franchise Agreement: Section 8.C Area Development Agreement: Section 4	Items 11 and 15

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
R. Records/reports	Franchise Agreement: Section 10 Area Development Agreement: Section 6.F	Items 6 and 11
S. Inspections/audits	Franchise Agreement: Section 11 Area Development Agreement: Not Applicable	Items 6 and 11
T. Transfer	Franchise Agreement: Section 12 Area Development Agreement: Section 10	Items 6 and 17
U. Renewal	Franchise Agreement: Section 13 Area Development Agreement: Not Applicable	Item 17
V. Post-termination obligations	Franchise Agreement: Section 15 Area Development Agreement: Sections 11.B and 11.C	Item 17
W. Non-competition covenants	Franchise Agreement: Sections 7 and 15.D Area Development Agreement: Section 11.C	Item 17
X. Dispute resolution	Franchise Agreement: Section 17 Area Development Agreement: Section 13	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases or other obligations.

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

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

Our Pre-Opening Obligations – Franchise Agreement.

Before you open the Restaurant, we or our affiliates will provide you the following assistance:

1) Consult with you on, review and, if acceptable, approve your proposed sites (Franchise Agreement, Section 2.A)

2) If you and we have not agreed upon the location for your Restaurant at the time you sign the Franchise Agreement, Exhibit A to the Franchise Agreement will include a description of the geographic area (the "Search Area") in which you are required to concentrate your efforts at locating the premises for your Restaurant. You will have exclusive rights to the search area for six months after the Franchise Agreement is signed. However, after the six-month exclusive period, the Search Area will be non-exclusive, and it is possible that there could be multiple franchisees seeking locations for Eggs Up Restaurants in the Search Area at the same time. (Franchise Agreement, Section 1.A and Exhibit A)

3) Review and, if acceptable, approve your proposed lease and space plans and drawings (Franchise Agreement, Section 2.B and Section 2.C(2))

4) Provide between 3 and 6 weeks of initial training for up to 2 people, including you (or your Managing Owner) and your Designated Manager (if applicable) at our headquarters or another location we designate. (Franchise Agreement, Section 4.A)

5) Provide three or more trainers to assist at your Restaurant with the opening (or, if you are opening your third or subsequent Restaurant, provide one trainer). While we will not charge a separate fee for this assistance, you will be responsible for our trainers' costs by paying us a per diem to cover the trainers' incidental expenses such as meals and lodging while providing the assistance (currently, $500 per trainer, per day) and reimbursing to us the trainers' travel costs. Our trainers will determine the amount of support necessary to prepare your staff for your grand opening, including the nature of the services, the length of time they are provided, and the scheduling of the services (which will be subject to your facility's readiness to open, the employment of your staff, and our trainers' availability). (Franchise Agreement, Section 4.A)

6) Provide access to our Operations Manual (Franchise Agreement, Section 4.C)

7) Provide prototype plans and specifications for all required equipment (including computer system), furniture, fixtures, and signs and lists of approved suppliers or vendors (Franchise Agreement, Sections 2.C, 2.F, 4.B and 8.D)

Our Pre-Opening Obligations – Area Development Agreement

After you sign an Area Development Agreement, but before you open a Restaurant, we or our affiliates will provide you the following assistance:

1) Review sites you propose for the development of an Eggs Up Grill Restaurant and, if approved, issue you a Franchise Agreement (Area Development Agreement, Section 6.B)

Opening of Your Restaurant

You must obtain and maintain a site acceptable to us for your Restaurant. We will approve or disapprove your proposed sites based on our then-current criteria, including factors such as demographics, proposed rental rates, neighborhood and nearby business counts and characteristics, nearby residential populations, traffic count, accessibility, parking, visibility, signage, and competition. When you have given us all the necessary information on the site you have selected, we generally will approve or disapprove the site within 30 days. Before you obtain possession of the site, you must sign a Franchise Agreement. If you fail to sign a Franchise Agreement within 15 days after we provide you with an execution copy of the Franchise Agreement, we may revoke approval of the site. You must also secure possession of the site by signing a lease or other possession agreement, and we recommend that you retain an attorney to assist you with that process. You may not sign a lease without our approval.

If you do not locate and sign a lease or other possession agreement for an acceptable site within six months of signing the Franchise Agreement, we may terminate the Franchise Agreement. We typically do not own or lease the site where your Restaurant is located.

You must open your Restaurant no later than one year after the date of the Franchise Agreement. If you fail to open your Restaurant within this time, we may terminate the Franchise Agreement and retain the entire franchise fee. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, delivery and installation of equipment, and renovation of the premises. The typical length of time between signing the Franchise Agreement and opening the Restaurant is 9 to 12 months.

Our Obligations During the Operation of Your Restaurant.

During the operation of your Restaurant, we will:

1) Provide you our System Standards and other suggested standards, specifications and procedures for Eggs Up Grill Restaurants (Franchise Agreement, Section 4.B)

2) Advise you of what purchasing is required and what authorized Operating Assets and other products and services are required (Franchise Agreement, Section 4.B)

3) Provide you with assistance with advertising and marketing materials and programs and approve the same (See "Advertising and Promotion" below) (Franchise Agreement, Sections 4.B and 9.A through D)

4) Maintain a website for the promotion of Eggs Up Grill Restaurants (Franchise Agreement, Section 9.E)

5) Provide you with a list of authorized vendors and suppliers for the products, goods, merchandise, supplies, signs, furniture, fixtures, equipment and services (Franchise Agreement, Section 8.D)

6) Designate minimum or maximum prices at which you must sell your products if we elect, and are permitted by applicable law, to do so (Franchise Agreement, Section 8.G)

We are not obligated to provide any post-opening assistance under the Area Development Agreement.

Advertising and Promotion Programs:

We may modify the amount that you must contribute to a national Brand Promotion Fund or a local advertising cooperative, or that you must spend on your own local marketing, subject to the Marketing Cap for each Eggs Up Grill Restaurant. We have capped at 4% of Gross Sales (the "Marketing Cap") the total amount of your required marketing spend (including required contributions to the Brand Promotion Fund, required local advertising co-op contributions, and the minimum amount you are required to spend on your own local advertising).

A. **Brand Promotion Fund**.

We administer a Brand Promotion Fund for Eggs Up Grill Restaurants (the "Brand Promotion Fund"), to which you must contribute. Currently the amount of your contribution is 1.6% of your Gross Sales, payable in the same manner as the royalty. We have the right to change the amount of your contribution, but we cannot make you contribute more than the Marketing Cap.

Eggs Up Grill Restaurants that we or our affiliates own in the United States will contribute to the appropriate Brand Promotion Fund on no less than the same percentage basis as franchisees. During the 2025 fiscal year, the Brand Promotion Fund was used to pay for Restaurant marketing and advertising (67%), web and social media (13%), printing (5%), product development (7%), and administrative expenses (8%). We did not spend any portion of the Brand Promotion Fund on the solicitation of new franchisees.

We or our affiliates or other designees will direct all programs that are developed or presented by the Brand Promotion Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Promotion Fund may pay for preparing and producing video, audio, and written materials and digital media; developing, implementing, and maintaining a Franchise System website and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering advertising, marketing, and brand awareness campaigns (including search engine, social media, email, and display ad campaigns, and national, regional, and local campaigns directing funds to one or more franchisees to spend on such campaigns in their own markets); pre-opening support for franchisees; developing and administering software, apps, and related integrations, implementing and managing a loyalty program or other marketing programs designed to encourage the use of Eggs Up Grill Restaurants; investing in demographic targeting software; designing and purchasing promotional and visual merchandising programs; and supporting public relations, market research, and other advertising, promotion, and marketing activities, including, but not limited to, development and maintenance of limited time menu offerings and product development. The Brand Promotion Fund will give you samples of advertising, marketing, and promotional formats and materials at no cost. We may sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges, or direct you to an approved vendor to purchase those materials directly from the vendor.

We will account for the Brand Promotion Fund separately from our other funds and not use the Brand Promotion Fund for any of our general operating expenses. However, we may use

the Brand Promotion Fund to reimburse ourselves or our affiliates for the actual salaries and benefits of personnel who manage and administer the Brand Promotion Fund, the Brand Promotion Fund's other administrative costs, travel expenses of personnel while they are on Brand Promotion Fund business, meeting costs, overhead relating to Brand Promotion Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Promotion Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Brand Promotion Fund contributions.

The Brand Promotion Fund will not be our asset. We do not owe any fiduciary obligation to you for administering the Brand Promotion Fund or any other reason. We will hold all Brand Promotion Fund contributions for the benefit of the contributors. The Brand Promotion Fund may spend in any fiscal year more or less than the total Brand Promotion Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, invest any surplus for future use, or pay Brand Promotion Fund deficits incurred during previous years. If any Brand Promotion Fund funds are not spent in any fiscal year, such funds will be retained by the Brand Promotion Fund for future use. We will use all interest earned on the Brand Promotion Fund contributions to pay costs before using the Brand Promotion Fund's other assets.

We will prepare an annual, unaudited statement of Brand Promotion Fund collections and expenses and give you the statement upon written request. We may, at our discretion, have the Brand Promotion Fund audited annually, at the Brand Promotion Fund's expense, by an independent certified public accountant. We may incorporate the Brand Promotion Fund or operate it through a separate entity whenever we deem appropriate.

We intend for the Brand Promotion Fund to promote recognition of the Marks, the Eggs Up Grill brand and patronage of Eggs Up Grill Restaurants generally. Although we will try to use the Brand Promotion Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Eggs Up Grill Restaurants contributing to the Brand Promotion Fund, we need not ensure that Brand Promotion Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Promotion Fund contributions by Eggs Up Grill Restaurants operating in that geographic area or that any Eggs Up Grill Restaurant benefits directly or in proportion to its Brand Promotion Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Promotion Fund contributions at the Brand Promotion Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Promotion Fund. Except as provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Promotion Fund.

We may at any time defer or reduce contributions of an Eggs Up Grill Restaurant franchise owner and, upon 30 days' prior notice to you, reduce or suspend Brand Promotion Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Promotion Fund. If we terminate the Brand Promotion Fund, we may either spend all unspent monies in accordance with our then-current marketing policies, until such amounts are exhausted, or distribute the funds in the Brand Promotion Fund to the contributing Eggs Up Grill Restaurant owners on a pro rata basis based on each franchisee's contributions. At the end of each fiscal year, all unspent amounts in the Brand Promotion Fund will carry-over to be used for the subsequent years.

B. **Cooperative Advertising**.

By two-thirds of the Eggs Up Grill Restaurants in the geographical area encompassing your Local Advertising Cooperative voting to do so, you may request that we establish, and/or we may, on our own initiative, establish or direct or authorize the establishment of a local advertising cooperative ("Local Advertising Cooperative"). Each Local Advertising Cooperative will be comprised of geographical areas that we determine or approve in which 2 or more Eggs Up Grill Restaurants are operating and in which their local marketing efforts are likely to overlap. Each Eggs Up Grill Restaurant located in the area covered by the Local Advertising Cooperative (including those Eggs Up Grill Restaurants that we or our affiliates own or operate) will be required to contribute, on an equal basis, to the Local Advertising Cooperative, regardless of the Eggs Up Grill Restaurant's Local Advertising Cooperative formation vote.

Each Local Advertising Cooperative, if established, will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating franchisees to review. If a Local Advertising Cooperative is established for the geographic area in which your Restaurant is or will be located, you must sign the documents we require to become a member of the Local Advertising Cooperative, and you must participate in the Local Advertising Cooperative as those documents require. We retain the power to change, dissolve and merge Local Advertising Cooperatives.

If a Local Advertising Cooperative is established for your geographic area, you must pay into it and participate in the marketing programs it conducts, in each case, as determined by the vote of the majority of its members, with each participating Eggs Up Grill Restaurant having 1 vote. Subject to our rights to assume management of the Local Advertising Cooperative as described below, we expect that each Local Advertising Cooperative will run autonomously, based on the majority vote of the participating members, but subject to our prior written approval of the proposed marketing programs and using only those marketing materials that have been provided or approved by us in advance. However, we may determine the geographic make-up of the Local Advertising Cooperative and the minimum amounts that must be contributed to it. If the members of the Local Advertising Cooperative vote to increase the amount of the contributions above the minimums we have established, you will be required to contribute the higher amounts, but not more than 1% of your Gross Sales will count toward the Marketing Cap.

We may, at any time, assume the management of any Local Advertising Cooperative. If we do, instead of making contributions directly to the cooperative, you will be required to make those contributions to us or our designee in the same manner as you make payments of Royalty fees. We will then execute on the directives of the majority of the members of the Local Advertising Cooperatives subject to those matters, as described above, over which we have approval or determination rights. We may, but will not be required to, segregate the funds we collect from the members of the Local Cooperative; however, we will account for those monies separately. We will be allowed to spend and allocate the Local Advertising Cooperative monies on the same types of things and in the same manner as we are allowed to do so with respect to the Brand Promotion Fund, but any marketing programs we conduct with the Local Advertising Cooperative's monies will be conducted in or will reach into the areas covered by Local Advertising Cooperative.

In its governing documents, the Local Advertising Cooperative will be required to prepare an annual accounting of its collections and expenditures, by category, and these accountings for the most recently completed fiscal year will be available to its members on their written request.

You understand and acknowledge that your Restaurant may not benefit, either directly or in proportion to its contribution to the Local Advertising Cooperative, from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for Eggs Up Grill Restaurants will be developed separately and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Local Advertising Cooperative.

C. **Other Advertising Obligations**.

You must list and advertise your Restaurant on all major internet search engines and on all major internet consumer review websites listed in the Operations Manual and, if required by us, in at least 1 recommended online or classified telephone directory distributed within the market area of your Restaurant (in the business classifications we prescribe from time to time) and to use the form of classified telephone directory advertisement approved by us. If other Eggs Up Grill Restaurants are located within the directory's distribution area, we may require you to participate in a collective advertisement with those other Eggs Up Grill Restaurants and to pay your share of that collective advertisement. We may require you to spend certain minimum amounts to advertise and promote your Restaurant. The current requirement is at least 0.4% of your Gross Sales; however, we may, from time to time and on notice to you, increase the amount of your required spending on local marketing, but subject at all times to the Marketing Cap. Any amount of Local Advertising Cooperative contribution you make will be set off against amounts required to be spent by you for local advertising. Within 30 days after the end of each month, you must send to us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month unless we served as the pass-through agent for your expenditures. Your local advertising and promotion must follow our guidelines.

We may, at any time, issue you a notice that the amounts required to be spent by you toward local marketing shall, instead, be paid to us or our designee. If we exercise this option, we or our designee will spend such amounts, in accordance with local Eggs Up Grill Restaurant marketing guidelines and programs that we develop from time to time, to advertise and promote the Restaurant on your behalf. We may contribute any of these amounts to the Brand Promotion Fund or to a Local Advertising Cooperative, in which case, the offsets described above will not be applicable.

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. At least 30 days before you use them (or, with our permission, less but adequate time to meet publication deadlines), you must send to us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written disapproval within 7 days after we receive the materials, they are deemed to be disapproved. Once we approve the materials, you are permitted to use them. However, we may withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the Franchise System's best interest. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have disapproved.

You may not engage in any promotional or similar activities, directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system unless approved by us.

D. **Opening Advertising**.

In addition to your other advertising obligations, you must spend at least $15,000 for a grand opening marketing program for your Restaurant to take place on the dates we designate before and after your Restaurant opens. We will determine the amount of your grand opening marketing spend based on factors we determine, such as the extent of familiarity with the Eggs Up Grill concept in the area where you will be operating your Restaurant, provided, that we will not require you to spend more than $15,000 on such grand opening marketing program without your consent. You will deposit $10,000 with us on the earlier of the date you begin construction of your Restaurant or the date you receive funding from third-party financing for the development of your Restaurant, which deposit you may draw from for the cost of goods, services, and expenses you incur in connection with the grand opening marketing program. You must spend this amount in addition to all other amounts you must spend on advertising specified above, and the amount you spend on opening advertising will not count towards your local marketing expenditure for such year, or your Marketing Cap.

E. **Franchise Councils**.

We have established a franchise marketing advisory council that will advise us on various matters pertinent to the System, which may include advertising policies. Currently, members of the franchise marketing advisory council are nominated and elected by our franchisees. The franchise marketing advisory council serves in an advisory capacity only and we may dissolve the council.

We have also established a brand advisory council. The brand advisory council is comprised of owners of franchised Restaurants and certain of our executives. The purpose of the brand advisory council is to consider, discuss and advise us on, among other things, the implementation of actions, initiatives, programs and standards relating to Restaurants. We may expand, change, merge or dissolve the brand advisory council.

Computer Hardware and Software

You must acquire an entire point of sale (POS) computing system approved by us to ensure compliance with our System Standards. The system currently consists of SaaS software, Android Handheld devices, computer tablets for training platform, a POS server, cash drawers, printers, a personal computer including Microsoft Office, managed switches, a kitchen display system (KDS), remote printers, magnetic swipe-card, pin or chip readers, high-speed connections, managed security services, firewalls, office printer/scanner, related cable terminations and a maintenance contract.

Your computer system will enable you to collect information about customer orders, sales by hour/day/period. We will have the ability to independently access your cash system and computer. There are no contractual limitations on our and our affiliates' right to access or use this information and data.

You must purchase all of the above items from our approved vendor. Your cost to purchase and install the entire system will range between $15,000 and $20,000, depending on many factors. You will be responsible for paying for access to our approved suppliers of hosted software services for an annual amount of approximately $8,000, which also includes the cost for POS IT help desk services and the hardware depot program and may change from time to time.

You must upgrade your hardware and software when we decide it to be necessary and at your own cost. We reserve our right to update System Standards, which includes computer hardware and software from time to time and there are no contractual limitations on these rights. We have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the hardware and software licensors.

Operations Manual

We will make our System Standards and other suggested specifications, standards and procedures, and information for the operation of Eggs Up Grill Restaurants available to you during the term of the Franchise Agreement, which may include one or more separate manuals, newsletters, memos, or bulletins, as well any audio or video content, and/or other content available through or distributed by any online presence or other electronic or digital means (collectively, the "Operations Manual") . Our Operations Manual is currently comprised of 301 pages, and its table of contents is attached as Exhibit G.

Training Program

The initial training program involves approximately 3 to 6 weeks of training at one of our principal offices (currently, Spartanburg, South Carolina) or at another location we designate and on-site training at your Restaurant immediately before the scheduled opening. We may change the location of the initial training program to another location we designate or offer some or all of the initial training program virtually. We may lengthen, shorten or restructure the contents of this program, and may vary the initial training depending on the experience and skill of the individuals attending. The on-site training at your Restaurant will not commence until all improvements have been completed and a certificate of occupancy has been issued. We offer the training program on an as needed basis throughout the year.

No later than 60 days before you open your Restaurant, you (or your Managing Owner), your Designated Manager (if applicable), and such other of your personnel that we specify taking into account your organization, infrastructure and experience (the "Mandatory Trainees") must complete our training program to our satisfaction. If we determine that the Mandatory Trainees cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement.

Training materials include management training program materials, team member training materials and the Operations Manual. All Mandatory Trainees must complete the program to our satisfaction. We will schedule the program based on the Mandatory Trainees' availability, availability of space in the program, training restaurant availability and the projected opening date for your Restaurant.

Although we provide initial training for no additional fee for up to 2 Mandatory Trainees, you must pay us a per diem to cover the trainers' incidental expenses such as meals and lodging while providing the assistance (currently, $500 per trainer, per day), and reimburse us for the costs of our trainers' travel. You must also pay for all travel and living expenses which all Mandatory Trainees or other attendees of the training program incur and for your employee's wages and workers' compensation insurance while attending training. If you desire to have more than 2 representatives attend the initial training program, you must pay us a training fee of $5,000 for each such additional person.

The initial training program is designed to cover all phases of the operation of Eggs Up Grill Restaurants. Any individual attending the training who has not signed the form of Guarantee and Assumption of Obligations attached to the Franchise Agreement must execute a confidentiality agreement in the form provided by us.

You may request additional training for the Mandatory Trainees at the end of the initial training program, to be provided at our then current per diem charges, if you do not feel that the Mandatory Trainees were sufficiently trained in the operation of an Eggs Up Grill Restaurant. We and you will jointly determine the duration of this additional training. However, if the Mandatory Trainees complete our initial training program to our satisfaction, and you have not expressly informed us in writing at the end of that program that you do not feel that your Mandatory Trainees were sufficiently trained in the operation of an Eggs Up Grill Restaurant, then you and they will be deemed to have been trained sufficiently to operate an Eggs Up Grill Restaurant.

We may require you (or your Managing Owner), your Designated Manager (if applicable), and other previously trained and experienced employees to attend and satisfactorily complete various training courses that we periodically designate, including courses and programs provided by third parties, at times and locations that we designate. Besides attending these courses, you (or your Managing Owner) and your Designated Manager (if applicable) must attend an annual meeting of all Eggs Up Grill Restaurant franchise owners at a location we designate. Attendance will not be required for more than 4 full days (which may be spread over more than 4 full days if certain courses are not full-day courses) during any calendar year. You must pay all costs to attend. We may also require that you attend, at your cost and expense, certain training classes that are presented by third-party providers from time to time. Those classes may be presented at the third parties' facilities at locations throughout the United States.

You will be solely responsible for the compensation, travel, lodging and living expenses you and your managers incur while attending our initial training program or any refresher training course.

If you have a new Managing Owner or Designated Manager, the new Managing Owner or Designated Manager must satisfactorily complete our then-current initial training program at the then-current training fee (currently $5,000). You also agree to pay all travel and living expenses which your Managing Owner or Designated Manager incurs during all training courses and programs.

As of the date of this disclosure document, we provide the following initial training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Management and Administration	3	20	Our Spartanburg, SC headquarters or at training facility we designate
Daily Operation of Restaurant	10	95	Our Spartanburg, SC headquarters or at training facility we designate
Advertising and Marketing	4	0	Our Spartanburg, SC headquarters or at training facility we designate
Accounting, Bookkeeping and Reporting	1	10	Our Spartanburg, SC headquarters or at training facility we designate

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Trademarks and Confidential Information	1	0	Our Spartanburg, SC headquarters or at training facility we designate
Legal	1	0	Our Spartanburg, SC headquarters or at training facility we designate
Final Exam	1	6	Our Spartanburg, SC headquarters or at training facility we designate
TOTAL	**21**	**131**	

In addition to the training we provide, your Managing Owner and Designated Manager must complete the ServSafe® Test provided by a third-party vendor. The hours devoted to each manager's positions are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject, and scheduling. On-the-job training includes cross training in all subject areas of the business.

Mira Stsiapanau will oversee the training program. Ms. Stsiapanau has 14 years of experience in the matters taught and has been with us since October 2023. Certain other employees of ours and of our affiliates may also participate in the training programs.

ITEM 12
TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or, from other channels of distribution or competitive brands that we control.

The Franchise Agreement grants you the right to operate an Eggs Up Grill Restaurant at a single location that you select, and we approve. You must operate the Restaurant only at the approved location. You may not establish or operate another Restaurant unless you enter into a separate Franchise Agreement for that Restaurant.

If you have not obtained our approval of a site for your Restaurant at the time you and we sign the Franchise Agreement, then within six months after the effective date of the Franchise Agreement, you must locate a site within the Search Area described in Exhibit A of the Franchise Agreement, obtain our approval of the site, and acquire the right to occupy the site by signing a lease or by purchasing the site. You will have exclusive rights to the Search Area for six months after the Franchise Agreement is signed. However, after the six-month exclusive period, the Search Area will be non-exclusive and it is possible that there could be multiple franchisees seeking locations for Eggs Up Restaurants in the Search Area at the same time. The Search Area is not an exclusive or protected territory surrounding the Restaurant. Instead, it is merely a geographic area in which you must locate a site for the Restaurant. You and we will agree on the boundaries of the Search Area before you and we sign the Franchise Agreement.

You are allowed, subject to our approval, to promote your Restaurant anywhere and through any channel of distribution. But you may not sell products or services outside of your Restaurant, including through approved delivery programs, through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing, without our consent.

Under the Franchise Agreement, we retain the right to (1) establish and operate, and allow others to establish and operate, Eggs Up Grill Restaurants using the Marks and the Franchise System, at any location on such terms and conditions we deem appropriate; (2) establish and operate, and allow others to establish and operate, restaurants, that may offer products and services which are identical or similar to products and services offered by Eggs Up Grill Restaurants, under other trade names, trademarks, service marks and commercial symbols different from the Marks; (3) establish, and allow others to establish, other businesses and distribution channels (including the Internet), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Eggs Up Grill Restaurants, and that sell products or services that are identical or similar to, or competitive with, those that Eggs Up Grill Restaurants customarily sell; (4) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses, and franchising, licensing or creating similar arrangements with respect to such businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other business, including a Competitive Business, even if such business operates, franchises or licenses such businesses in close proximity to the Restaurant; (6) operate or grant any third party the right to operate any Eggs Up Grill Restaurant that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement, any other franchise agreement or any other agreements; and (7) engage in all other activities not expressly prohibited by the Franchise Agreement. We are not required to pay you if we exercise any of these rights.

We are not restricted in our ability to compete with your Restaurant nor are we required to compensate you if we do. You are under no obligations with regard to minimum amounts of sales from your Restaurant.

The Franchise Agreement does not permit you to relocate your Restaurant. If, at any time during the term of the Franchise Agreement, you request us to consider a relocation, we will do so, but we will not be required to apply any particular standards or guidelines to our consideration. Our decision on whether to grant your request will be made in our sole discretion.

The Franchise Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises.

Area Development Agreement

You will not receive an exclusive territory under the Area Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

However, while you are in compliance with the Area Development Agreement and all your Franchise Agreements, we will not establish or license others to establish Eggs Up Grill Restaurants within your Development Area during the term of the Area Development Agreement, except as described below. You are not required to achieve certain sales volume, market penetration or other contingencies in order to maintain your exclusivity for the Development Area,

but your failure to comply with the Development Schedule will be a material breach of the Area Development Agreement, which may result in our terminating the Area Development Agreement.

The Area Development Agreement grants you the right to acquire franchises to develop, own and operate Eggs Up Grill Restaurants within the designated "Development Area" that will be described in Attachment A attached to the Area Development Agreement.

The boundaries of the Development Area will typically be described by an area encompassed within a circle having a radius of a specific length, which may be described by referring to a particular city, county or other political boundary. We will determine the Development Area we will offer to you before you sign the Area Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors. The Area Development Agreement expires on the required opening date specified on the Development Schedule for the last Eggs Up Grill Restaurant you are required to develop under the Area Development Agreement. When the Area Development Agreement expires or is terminated, the grant of the Area Development rights, including the area protection conferred by the Area Development Agreement, terminates. Your right to use the Eggs Up Grill franchise system will be limited to those Eggs Up Grill Restaurants operating under Franchise Agreements you (or an approved entity) may have entered into before the expiration or termination of the Area Development Agreement. Using our then-current standards, we must approve the location of each site for the Eggs Up Grill Restaurants you are required to develop under the Area Development Agreement.

We and our affiliates retain the right to (1) establish, operate and allow others to establish and operate, Eggs Up Grill Restaurants using the Marks and the Eggs Up Grill franchise system, at any location outside the Development Area on terms and conditions we deem appropriate; (2) establish, operate and allow others to establish and operate other restaurants, anywhere in the world, that may offer products and services that may be identical or similar to products and services offered by Eggs Up Grill Restaurants, but under trade names, trademarks, service marks and commercial symbols other than the Marks; (3) operate or license others to operate Eggs Up Grill Restaurants that we or our designee acquires from a franchisee as a result of the exercise of our right of first refusal or right to purchase as provided in the Franchise Agreement; and (4) establish, operate and allow others to establish and operate other businesses and distribution channels (including the Internet), wherever located or operating and regardless of the nature or location of the customers with whom these other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Eggs Up Grill Restaurants, and that sell products or services that are identical or similar to, or competitive with, those that Eggs Up Grill Restaurants customarily sell. In addition, we specifically retain the right under the Area Development Agreement to (1) acquire the assets or ownership interests of one or more businesses including Competitive Businesses (as defined in Item 17), and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area), (2) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any Competitive Business, even if this business operates, franchises or licenses these businesses in the Development Area, (3) operate or grant a third party the right to operate any Eggs Up Grill Restaurants that we or our designees acquire as a result of an exercise of a right of first refusal or purchase right under a Franchise Agreement, and (4) engage in all other activities not expressly prohibited by the Area Development Agreement.

You may not engage in any promotional or similar activities, directly or indirectly, through or on the Internet, catalog sales, telemarketing or other direct marketing campaigns, without our consent.

We are not required to pay you if we exercise any of the rights specified above inside or outside your Development Area.

The Area Development Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13
TRADEMARKS

We grant you the non-exclusive right and obligation to use the trademarks under the Franchise Agreement. By "trademark" we mean trade names, trademarks, service marks and logos we authorize to identify Eggs Up Grill Restaurants (the "Marks"). You must use the Marks as we require. You may not use any of the Marks as part of your firm or corporate name. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Eggs Up Grill Restaurant or any interest in the franchise. The Marks are owned by our immediate parent, EUG Holdco, which, under an Intellectual Property and Products Designation License Agreement, dated March 1, 2018 (the "License Agreement"), granted us a license to use and sublicense the use of the Marks. The License Agreement has a term of 99 years from its date, and can be terminated on 30 days' notice if we materially breach the License Agreement and fail to cure the breach, or cease to be an affiliate of EUG Holdco. A termination of the License Agreement will result in the loss of our right to use and to sublicense the use of the Marks in franchise agreements signed after that termination. However, your rights to use the Marks under the Franchise Agreement will not be affected by the termination of our license. All rights in and goodwill from the use of the Marks accrue to us and our affiliates.

The following table sets forth the status of registrations and applications with the U.S. Patent and Trademark Office ("PTO") for federal registration of our principal trademarks. All Marks are registered or have applications for registration pending on the Principal Register.

Mark	Registration Number	Registration Date
EGGS UP GRILL	5070007	October 25, 2016
EGGS UP GRILL	3039497	January 10, 2006
EGGS UP GRILL	5949402	December 31, 2019
EGGS UP GRILL	5949404	December 31, 2019

EUG Holdco has also submitted an application to register the following Mark with the USPTO:

Mark	Serial Number	Application Date
	99402149	September 19, 2025

All required affidavits of use and renewals have been or will be filed in a timely manner.

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We may establish new Marks in the future, and you must use and display these marks in accordance with our System Standards and bear all costs associated with changes to Marks or introduction of new Marks. You must follow our rules when you use these Marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols except with our consent which we may withhold in our absolute discretion. You may not use our Marks in the sale of an unauthorized product or service or in any manner we do not authorize in writing. You may not use any other mark, name, commercial symbol or logotype in connection with the operation of the Restaurant. You may not use the Marks as part of any username, screen name or profile in connection with any social networking sites or blogs without our prior written consent which we may condition or withdraw in our sole discretion.

There is presently no effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor (except as noted below) any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal trademarks, service marks, trade names, logo-types or other commercial symbols.

There are no agreements currently in effect which significantly limit our rights to use or license the use of any trademarks, service marks, trade names, logo-types or other commercial symbols.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We have sole discretion to take any action we deem appropriate and we have the right to exclusively control any litigation, PTO proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must execute all documents, render assistance and do such things as we deem or our counsel deems advisable to protect and maintain our interests.

Under the Franchise Agreement, we must indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all reasonable costs you incur in the defense of any claim brought

against you or in any proceeding in which you are named as a party, only if you have timely notified us of the claim or proceeding and have otherwise complied with the Franchise Agreement and only if you have given us the opportunity to defend the claim. If we defend the claim, we have no obligation to indemnify or reimburse you for any fees or disbursements to any attorney retained by you.

If it becomes advisable, in our opinion, at any time for us to require you to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks, you must comply, at your costs, within a reasonable time after notice by us.

Other than as stated above, we do not know of any superior rights or infringing uses that could materially affect your use of the Marks in this state or in any state where the Restaurant is to be located.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any patents, pending patent applications, or registered copyrights that are material to the franchise. However, we or our affiliates claim copyright protection for the Operations Manual and for any other written materials we develop to assist you in the development and operation of the Restaurant. There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees. No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

Confidential Information

We possess, develop and may continue to develop certain proprietary and confidential information, including trade secrets relating to the operation of Eggs Up Grill Restaurants. This proprietary and confidential information includes processes, methods, techniques, recipes, ingredients, training materials, checklists, customer data, and other information that is valuable and treated by Eggs Up Grill as confidential information. Much of this confidential information is included or referenced in our Operation Manual. You and your owners will not acquire any interest in the confidential information other than the right to use it in operating the Restaurant. You must maintain the absolute confidentiality of the confidential information during and after the expiration or termination of the Franchise Agreement. You and your owners can divulge this confidential information only to individuals or entities specifically authorized by us in advance, or to your employees or contractors who must have access to it to operate the Restaurant, however, such individuals or entities must be under a duty of confidentiality no less restrictive than your obligations to us under the Franchise Agreement. We may require you to have your employees and contractors execute individual undertakings and shall have the right to regulate the form of and be a party to or third-party beneficiary under any such agreements. Neither you nor your owners are permitted to make unauthorized copies, record or otherwise reproduce the materials or information or make them available to any unauthorized person.

If you or any of your owners or employees develop any new concept, process, product, recipe or improvement in operating or promoting Eggs Up Grill Restaurants, you must promptly

notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement or otherwise to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

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

If you are an entity, you must identify a Managing Owner with at least a 25% ownership interest and voting power in you. We may require our approval of the Managing Owner. You (or your Managing Owner) are responsible for the management, direction and control of your Restaurant(s), subject to the terms and conditions of the Franchise Agreement and Area Development Agreement. You (or your Managing Owner) must supervise the management and operation of the Restaurant(s) and continuously exert best efforts to promote and enhance the Restaurant(s).

You may elect not to supervise your Restaurant(s) on a full-time basis, provided that you appoint a manager who has completed our then-current initial training program to supervise operation of your Restaurant(s) (your "Designated Manager"). The Designated Manager must assume responsibilities on a full-time basis and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitment, or otherwise may conflict with his or her obligations to operate and manage the Restaurant(s). We may require your Designated Manager to personally undertake the same obligations with respect to confidentiality, non-competition and non-solicitation that you are subject to under the Franchise Agreement.

In certain circumstances (such as your failure to comply with the Franchise Agreement) we have the right to enter the Premises and assume interim operations of your Restaurant (or to appoint a third party to assume to do so) for any period of time we deem appropriate but not to exceed 90-day increments, renewable for up to one year, in the aggregate. We will periodically discuss with you the results of operation of your Restaurant during the time that we (or such third party) operate it. If we (or a third party) assume interim operations of your Restaurant, you must pay us (in addition to other amounts due under your Franchise Agreement) an amount equal to 10% of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period we deem appropriate.

If you are a legal entity, each of your owners must sign a guaranty of your obligations under the Franchise Agreement and Area Development Agreement (the form is attached as an exhibit to the Franchise Agreement and Area Development Agreement). Each person signing a guaranty assumes and agrees to discharge all of your obligations (i.e., the franchisee's) under that Franchise Agreement and Area Development Agreement. In addition, if these owners are married, their spouses may have to consent in writing to their signing of the guaranty and bind themselves to the confidentiality and non-competition provisions of the Franchise Agreement and the Area

Development Agreement. Such spousal consent also serves to bind the assets of the marital estate to the owner's performance of the guaranty. Each person signing the guaranty agrees to be bound to provisions of the Franchise Agreement and Area Development Agreement applicable to such person.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must comply with all of our standards and specifications (including brand specifications) relating to the purchase of all food, food products and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including electronic cash register, computer hardware and software, if applicable), and other products used or sold at the Restaurant (see Item 8). You must comply with all applicable laws and regulations and obtain all appropriate governmental approvals relating to the Restaurant.

To ensure that there is a consistent degree of quality and service maintained, you must operate the Restaurant in strict conformity with the methods, standards and specifications in the Manuals and as we may otherwise require in writing. You must sell all menu items, food products, and other products and services we require, in the manner and style we require, including dining-in, carry-out, catering and delivery, only as we expressly authorize in writing in the Manuals or otherwise. You must sell only the menu items, and other products and services that we have expressly approved in writing. You may not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we disapprove in writing at any time. We have the right to change the types of menu items, products and services you offer at the Restaurant at any time, and there are no limits on our rights to make those changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items with our recipes and procedures for preparation contained in the Manuals or other written instructions, including the measurements of ingredients. You may not deviate from our standards and specifications by using or offering nonconforming items or differing amounts of any items, without first obtaining our written consent.

We and our affiliates have and may develop certain products for use in the System that are prepared from confidential recipes and that are trade secrets of ours and certain products that bear our Marks. Because of the importance of quality and uniformity of production and the significance of the secret recipes and trademarked products in the System, it is to our and your benefit that we closely control and monitor the production and distribution of the products. You must use our secret recipe products. You must purchase all of your requirements for these products only from us or from sources we designate.

We may periodically set a maximum or minimum price that you may charge for products and services offered by your Restaurant. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail

price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Franchise Agreement: Section 1.A	Term of Franchise Agreement is generally for 10 years but will be amended to correspond to the expiration of the lease for the Restaurant. Once you sign a lease, you and we will sign Exhibit B to the Franchise Agreement to reflect the final expiration date of the term.
	Area Development Agreement: Section 2	Term ends on the scheduled opening date of the last Restaurant as specified on the Development Schedule or the last day of the last development period, whichever occurs first.
b. Renewal or extension of the term	Franchise Agreement: Section 13.A	If you are in substantial compliance with the Franchise Agreement, you may extend the term for 10 years.
	Area Development Agreement: Not Applicable	Not Applicable.
c. Requirements for franchisee to renew or extend	Franchise Agreement: Section 13	You must give at least 6 months' notice, repair, replace and update equipment and Restaurant premises to our current System Standards, not be in breach of any agreement with us or our affiliates, satisfy all monetary obligations, have the right to remain in possession of the Restaurant premises, pay a renewal fee, execute then-current Franchise Agreement and general release (unless prohibited by law) and comply with current qualifications and training requirements. The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreements, such as different fee requirements.
	Area Development Agreement: Not Applicable	Not Applicable.

PROVISION	SECTION IN AGREEMENT	SUMMARY
d. Termination by franchisee	Franchise Agreement: Section 14.A	You may terminate the Franchise Agreement if we materially breach the agreement and do not cure default after notice from you.
	Area Development Agreement: Not Applicable	Not Applicable.
e. Termination by franchisor without cause	Franchise Agreement: Not Applicable	We may not terminate the Franchise Agreement without cause.
	Area Development Agreement: Not Applicable	We may not terminate the Area Development Agreement without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 14.B	Only if you or your owners commit one of several violations.
	Area Development Agreement: Section 11.A	We may terminate only if you or your owners commit one of several violations. Under cross-default provision, we can terminate the Area Development Agreement if you or your approved affiliate fails to comply with any provision of any Franchise Agreement and does not cure such failure within the applicable cure period.
g. "Cause" defined – curable defaults	Franchise Agreement: Section 14.B	Under the Franchise Agreement, you have 10 days to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below (up to 90 days if caused by a Casualty Event); 15 days to cure quality assurance audits; and applicable cure period for defaults under any other agreement with us.
	Area Development Agreement: Section 11.A	Under the Area Development Agreement, you have 10 days to cure monetary defaults, failure to furnish reports, financial statements, tax returns or other documentation required; 30 days to cure failure to comply with the development schedule (unless caused by a Casualty Event); and 15 days to cure any failure to observe, perform or comply with any other of the terms or conditions of the Area Development Agreement; and any applicable cure period for defaults under the Franchise Agreement or failure to pay any third-party obligations. The time for cure will be extended for up to 180 days if the reason for the default was a Casualty Event," defined to be a fire, tornado, hurricane, flood, earthquake or similar natural disaster beyond your control.

PROVISION	SECTION IN AGREEMENT	SUMMARY
h. "Cause" defined – non-curable defaults	Franchise Agreement: Section 14.B	Non-curable defaults under the Franchise Agreement include material misrepresentations or omissions; failure to secure site for the Restaurant within six months after Franchise Agreement's effective date; failure to open your Restaurant on time; failure of any Mandatory Trainees to complete training; closure, failure to operate for more than 3 days, or other abandonment; unapproved transfers; conviction of a felony; dishonest or unethical conduct; unauthorized use or disclosure of the Operations Manual or other confidential information; failure to pay taxes; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; failure to comply with anti-terrorism laws; health and safety risks; failure to comply with third-party obligations in connection with your Restaurant (including, failure to pay any amounts when due); receiving more than two notices that you have acted inappropriately or abusively towards us, other franchisees, or customers; and failure to comply with other agreements with us or our affiliate and do not correct such failure within the applicable cure period, if any.
	Area Development Agreement: Section 11.A	Non-curable defaults under the Area Development Agreement include abandonment or threatened abandonment of the development rights; failure to pay any debts or amounts incurred as they become due; an assignment for the benefit of creditors; appointment of a trustee or receiver; if you are an entity, winding up, liquidation, or dissolution, or forfeiture or right to do business; material misrepresentations or omissions; unapproved transfers; conviction of a felony; dishonest or unethical conduct; repeated defaults (even if cured); receiving more than two notices that you have acted inappropriately or abusively towards us, other franchisees, or customers; and failure to comply with other agreements with us or our affiliate and do not correct such failure within the applicable cure period, if any
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement: Section 15	Under the Franchise Agreement, you must: cease operating the Restaurant and using the Marks and Franchise System; return all forms, documents and information; completely de-identify the business within 30 days; cancel all fictitious or assumed names; cease operating a similar restaurant; notify telephone company of termination of rights to use telephone number and transfer number to our designee; return the Operations Manual and software and other proprietary materials; comply with confidentiality requirements; and at our option, sell or assign to us your rights in the Restaurant premises and the assets used in the business.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Area Development Agreement: Sections 11.B and 11.D	Under the Area Development Agreement, you must: cease using the Marks and franchise system; return all proprietary materials, forms, documents and information; comply with confidentiality requirements; and comply with all post-termination non-compete and non-solicit covenants; and at our option, sell or assign to us your rights in the Restaurant premises and the assets used in the business.
j. Assignment of contract by franchisor	Franchise Agreement: Section 12.A	No restriction on our right to assign.
	Area Development Agreement: Section 10.A	No restriction on our right to assign.
k. "Transfer" by franchisee - definition	Franchise Agreement: Section 12.B	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising; grant of mortgage, charge, lien or security interest; merger or consolidation; sale or exchange of voting securities; or transfer caused by divorce or death.
	Area Development Agreement: Section 10.B	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising; grant of mortgage, charge, lien or security interest; merger or consolidation; sale or exchange of voting securities; or transfer caused by divorce or death.
l. Franchisor's approval of transfer by franchisee	Franchise Agreement: Sections 12.B and 12.C	We have the right to approve all transfers by you or your owners but will not unreasonably withhold or delay approval.
	Area Development Agreement: Section 10.B	Area Development Agreement may not be assigned.

PROVISION	SECTION IN AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 12.C	The Restaurant has opened for business; transferee must provide all application materials and satisfy all selection criteria; you must provide transfer documents and information and transfer must meet our criteria; you (and your owners) and transferee (and its owners) must sign the Consent to Transfer; representations and warranties must be true at closing; compliance with Consent to Transfer and transfer conditions for any other agreements; all monetary obligations must be paid; you and your owners must not be in default of any provisions of any agreements; transferee must not be in default of any provisions of any agreements; all mandatory training for transferee has been completed and paid for; all required actions under lease are satisfied; all deficiencies identified in pre-sale inspection have been cured; your Restaurant meets System Standards and Operating Assets are in good condition; transferee signs then-current forms of agreement, including Franchise Agreement; payment of transfer fee; all business operations (insurance and licenses) are transferred.
	Area Development Agreement: Section 10.B	Area Development Agreement may not be assigned.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Franchise Agreement: Section 12.G	If you receive an offer to sell or transfer an interest, direct or indirect, in the Franchise Agreement, your Restaurant or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items (k) through (m) of this Table.
	Area Development Agreement: Section 10.C	Area Development Agreement may not be assigned.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement: Section 15.E	We may purchase the assets of your Restaurant for liquidation value upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement by you without cause or by us with cause (each a "Termination Event"). In the case of a Termination Event, we have 30 days from the Termination Event to provide you with written notice of our election to purchase your Restaurant.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Area Development Agreement: Section 11.D	We have the right to purchase the assets of your Restaurants in the Development Area if we terminate the Area Development Agreement for any reason, other than because of the termination of any Franchise Agreement for a Restaurant in the Development Area.
p. Death or disability	Franchise Agreement: Section 12.C	Death of franchisee (or any of its owners) is a transfer requiring our consent. See (k) above. However, our approval will not be unreasonably withheld or delayed so long as at least one of the Managing Owners continues to be the designated Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have 9 months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve.
	Area Development Agreement: Section 10.B	Neither the agreement nor ownership interests in you may be transferred.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 7	Neither you, nor any of your owners or their immediate family members, may have any involvement, directly or indirectly, in a "Competitive Business." "Competitive Business" means any restaurant, food service or other business (other than an Eggs Up Grill Restaurant): (i) whose gross receipts from the sale of breakfast items represent, at any time, at least 10% of the business' total gross receipts, (ii) whose menu, concept, business model or method of operation is similar to that employed by restaurant units operated, franchised or licensed by us, (iii) that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by businesses owned, operated, franchised or licensed by us, or (iv) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing. In addition, without our prior consent, you must not operate, directly or indirectly, any business marketed by a franchisor or chain under a locally, regionally, or nationally known or registered trademark or service mark. You may not interfere with vendor/supplier/consultant relationships nor engage in activities that would harm our Marks or Franchise System.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Area Development Agreement: Section 9	Neither you, nor any of your owners or their immediate family members, may have any involvement, directly or indirectly, in a Competitive Business. In addition, without our prior consent, you must not operate, directly or indirectly, any business marketed by a franchisor or chain under a locally, regionally, or nationally known or registered trademark or service mark. You may not interfere with vendor/supplier/ consultant relationships nor engage in activities that would harm our Marks or Franchise System.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Section 15.D	You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months within 10-mile radius of the premises of your Restaurant or any Eggs Up Grill Restaurant in existence or under development at time of termination or expiration of Franchise Agreement. You may not interfere with vendor/supplier/consultant relationships nor engage in activities that would harm our Marks or Franchise System.
	Area Development Agreement: Section 11.C	You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months in the Development Area or within a 30-mile radius of any Eggs Up Grill Restaurant in existence or under development at time of termination or expiration of the Area Development Agreement. In addition, without our prior consent, you must not operate, directly or indirectly, any business marketed by a franchisor or chain under a locally, regionally, or nationally known or registered trademark or service mark. You may not interfere with vendor/supplier/consultant relationships nor engage in activities that would harm our Marks or Franchise System.
s. Modification of the agreement	Franchise Agreement: Section 17.L	No modifications except in writing and signed by both you and us.
	Area Development Agreement: Section 14.G	No modifications except in writing and signed by both you and us.
t. Integration/merger clause	Franchise Agreement: Section 17.O	Only the written terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representation or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. However, nothing in the Franchise Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Area Development Agreement: Section 14.G	Only the written terms of the Area Development Agreement and other related written agreements are binding (subject to state law). Any representation or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable. However, nothing in the Area Development Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 17.G	We and you must arbitrate all disputes at a location in or within 50 miles of our current principal place of business (currently, Spartanburg, South Carolina) (subject to state law).
	Area Development Agreement: Section 13.A	We and you must arbitrate all disputes at a location in or within 50 miles of our current principal place of business (currently, Spartanburg, South Carolina) (subject to state law).
v. Choice of forum	Franchise Agreement: Section 17.I	You must sue us in the state where our corporate headquarters are located (currently Spartanburg, South Carolina) (subject to state law).
	Area Development Agreement: Sections 13.A and 13.C	You must sue us in the state where our corporate headquarters are located (currently Spartanburg, South Carolina) (subject to state law).
w. Choice of law	Franchise Agreement: Section 17.H	South Carolina law (subject to state law).
	Area Development Agreement: Section 13.B	South Carolina law (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the Franchise System.

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.

I. March 2026 Trailing Twelve Months (TTM) Gross Sales Information

In this section, we provide information regarding average Gross Sales of franchised Eggs Up Grill Restaurants during the period of April 1, 2025 through March 31, 2026 (the "Measurement Period").

As of the end of the Measurement Period (March 31, 2026), there were 107 Eggs Up Grill Restaurants in operation. 1 restaurant was owned and operated by our affiliate (which we have excluded for purposes of this disclosure), 1 restaurant was owned by a franchisee but operated by our affiliate under a management agreement for the last three months of the Measurement Period, and 105 restaurants were owned and operated by franchisees. In order to eliminate from the data sales volatility that typically occurs during the first 12 months after the opening of a new Eggs Up Grill Restaurant, we excluded from the data set 15 franchised restaurants that did not open prior to April 1, 2025 and, thus, did not operate for the entire Measurement Period. The remaining 91 restaurants form the data set (the "Sales Group") for the information provided in this Section I of this Item 19.

The results shown in this Section I reflect the historical average per-restaurant Gross Sales for the Measurement Period. Gross Sales were determined in the same manner you will determine your Restaurant's Gross Sales under your Franchise Agreement for purposes of calculating royalties and other fees that are based on your Restaurant's Gross Sales. The Franchise Agreement defines "Gross Sales" as follows:

> all revenue derived from operating the Restaurant, in whatever form (including student meal cards, meal vouchers, tokens, tickets and comparable methods) but excludes (1) sales, use, or service taxes and (2) documented refunds, credits and discounts to customers and employees. Gift certificate, gift card or similar program payments are included when the gift certificate, gift card, other instrument or applicable credit is redeemed. Gross Sales also include all insurance proceeds received for loss of business due to a casualty to or similar event. Tips will be included in Gross Sales only to the extent you retain them and do not distribute them as compensation to your employees.

To calculate average Gross Sales, we added together (a) the Gross Sales reported to us by or on behalf of the franchisees in the Sales Group for the Measurement Period (the "Group Gross Sales"), then we divided (x) the Group Gross Sales by 91 (the number of restaurants in the Sales Group). To determine the median Gross Sales for the Sales Group, we put the Gross Sales during the Measurement Period for each restaurant in the Sales Group in numerical order and selected the middle of the list. The range reflects the lowest and highest average Gross Sales for the restaurants in the Sales Group during the Measurement Period.

The following figures are based on financial reports provided to us by reporting franchisees. Using the information and methodology described above, we provide the following information:

Average Gross Sales for the Sales Group During the Measurement Period

	Measurement Period
Average	$1,371,585
Median	$1,334,340
High	$2,407,120
Low	$752,595
# of Restaurants in Group	91
# At or Above Average	38
% At or Above Average	41.8%
Top Half:	
Average	$1,609,507
Median	$1,591,336
High	$2,407,120
Low	$1,335,874
# Restaurants in Group	45
# At or Above Average	21
% At or Above Average	46.7%
Bottom Half:	
Average	$1,138,836
Median	$1,169,816
High	$1,334,340
Low	$752,5295
# Restaurants in Group	46
# At or Above Average	25
% At or Above Average	54.3%

II. Costs and EBITDA Data

In this Section, we disclose certain key cost information and EBITDA for the Sales Group less 29 franchised restaurants that did not provide us complete cost and EBITDA data. The remaining 62 franchised restaurants form the data set (the "Cost and EBITDA Group") for the information provided in this Section II of this Item 19. The information contained in this Section is based on information reported to us by the 62 franchised restaurants in the Cost and EBITDA

Group for the Measurement Period. As with Gross Sales, the following figures are based on financial reports provided to us by reporting franchisees.

We calculated averages and medians as set forth in the Notes, below. Percentages are shown as a percentage of Gross Sales of the Cost and EBITDA Group, as defined above.

The historical results for the 62 franchised restaurants in the Cost and EBITDA Group for the Measurement Period follow:

Cost and EBITDA Data			
Cost and EBITDA Group			
	Average[12], [15]	Median[13]	# and % of Restaurants at or above average
Gross Sales	**$1,407,585**[14]	**$1,343,260**	**25 (40.3%)**
COGS[1]	24.1%	24.0%	28 (45.2%)
Total Labor[2]	29.1%	28.5%	28 (45.2%)
Total Prime Costs[3]	**53.2%**	**52.9%**	**29 (46.8%)**
Operating Supplies[4]	3.8%	3.6%	26 (41.9%)
Rent & CAM[5]	6.2%	6.1%	29 (46.8%)
Utilities & Other Occupancy[6]	3.4%	3.4%	29 (46.8%)
Repairs & Maintenance[7]	1.6%	1.5%	27 (43.5%)
Marketing Costs[8]	2.8%	2.6%	24 (38.7%)
Royalty Fees[9]	4.8%	5.0%	47 (75.8%)
Other Operating Costs[10]	6.6%	6.3%	28 (45.2%)
EBITDA[11]	**17.6%**	**16.9%**	**26 (43.5%)**

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Cost and EBITDA Data			
Cost and EBITDA Group – Top Half (31 Restaurants)			
	Average[12], [15]	Median[13]	# of Restaurants at or above average
Gross Sales	**$1,653,744**[14]	**$1,649,678**	**14 (45.2%)**
COGS[1]	23.8%	23.5%	14 (45.2%)
Total Labor[2]	28.9%	28.6%	15 (48.4%)
Total Prime Costs[3]	**52.7%**	**52.8%**	**17 (54.8%)**
Operating Supplies[4]	3.6%	3.3%	13 (41.9%)
Rent & CAM[5]	5.2%	5.3%	17 (54.8%)
Utilities & Other Occupancy[6]	3.1%	3.0%	15 (48.4%)
Repairs & Maintenance[7]	1.4%	1.3%	12 (38.7%)
Marketing Costs[8]	2.7%	2.5%	11 (35.5%)
Royalty Fees[9]	4.8%	5.0%	24 (77.4%)
Other Operating Costs[10]	6.7%	6.3%	14 (45.2%)
EBITDA[11]	**19.7%**	**18.6%**	**14 (45.2%)**

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Cost and EBITDA Data			
Cost and EBITDA Group – Bottom Half (31 Restaurants)			
	Average[12], [15]	Median[13]	# of Restaurants at or above average
Gross Sales	**$1,161,425** [14]	**$1,206,213**	**19 (61.3%)**
COGS[1]	24.5%	24.4%	14 (45.2%)
Total Labor[2]	29.3%	28.5%	15 (48.4%)
Total Prime Costs[3]	**53.8%**	**53.8%**	**15 (48.4%)**
Operating Supplies[4]	4.1%	3.7%	12 (38.7%)
Rent & CAM[5]	7.5%	7.4%	15 (48.4%)
Utilities & Other Occupancy[6]	3.9%	3.7%	15 (48.4%)
Repairs & Maintenance[7]	1.9%	1.8%	11 (35.5%)
Marketing Costs[8]	2.9%	2.7%	11 (35.5%)
Royalty Fees[9]	4.9%	5.0%	24 (77.4%)
Other Operating Costs[10]	6.4%	6.4%	14 (45.2%)
EBITDA[11]	**14.6%**	**14.6%**	**16 (51.6%)**

Notes:

1. COGS means the percentage of Gross Sales spent on food and beverages that are sold in each restaurant.

2. Total Labor means the percent of Gross Sales spent on wages and benefits to restaurant manager, kitchen, and service staff (including both employees and independent contractors). Certain franchisees with Managing Owners rather than Designated Managers do not pay wages for their restaurant's manager and, as such, Total Labor would not reflect any wages or benefits for restaurants' managers. Accordingly, Total Labor includes an assumed $60,000 annual salary for restaurant managers.

3. Total Prime Costs means the percent of Gross Sales spent on COGS and Labor.

4. Operating Supplies means the percent of Gross Sales spent on materials consumed or used in the operation of the restaurant.

5. Rent & CAM means the percent of Gross Sales spent on rent and common area maintenance under the leases for each restaurant.

6. Utilities & Other Occupancy means the percent of Gross Sales spent on utilities, and other property-related expenses exclusive of Rent & CAM and Repairs & Maintenance for each restaurant.

7. Repairs & Maintenance means the percent of Gross Sales spent on repairs and maintenance of each restaurant and the equipment, furniture, and fixtures thereof.

8. Marketing Costs means the percent of Gross Sales spent on marketing of each restaurant.

9. Royalty Fees means the percent of Gross Sales spent on royalty fees due to us. Your Royalty under the Franchise Agreement will be 5.0% of your Gross Sales.

10. Other Operating Costs means the percent of Gross Sales spent on other costs incurred in the operation of each restaurant, including, but not limited to, credit card fees, car rental and other automobile expenses.

11. EBITDA is calculated as the percentage of Gross Sales *less* (i) Total Prime Costs, (ii) Operating Supplies, (iii) Rent & CAM, (iv) Utilities & Other Occupancy, (v) Repairs & Maintenance, (vi) Marketing Costs, (vii) Royalty Fees, and (viii) Other Operating Costs.

12. The average for each Cost and EBITDA Data category other than Gross Sales is the sum of such category for each restaurant in the Cost and EBITDA Group divided by the aggregate Gross Sales of the group, expressed as a percentage.

13. The sum of the median COGS and Total Labor categories will not necessarily equal the sum of the median Total Prime Costs category, and the sum of the median of all cost categories will not necessarily equal 100% less the EBITDA percentage because each category is the median of all restaurants.

14. The range of Gross Sales for the Cost and EBITDA Group was $766,189 to $2,359,270. The range of Gross Sales for the top half of the Cost and EBITDA Group was $1,352,378 to $2,359,270. The range of Gross Sales for the bottom half of the Cost and EBITDA Group was $766,189 to $1,348,294.

15. We have rounded each category to the nearest tenth. Based on such rounding, the aggregate Total Prime Costs and EBITDA may differ from the sum of the underlying categories.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

We will provide written substantiation for these financial performance representations to you upon reasonable request.

Other than the preceding financial performance representation, EUG Franchising, LLC, does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ricky Richardson, Chief Executive Officer, EUG Franchising LLC, 100 Dunbar Street, Suite 301, Spartanburg, SC 29306, phone: (864) 310-2408, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE RESTAURANTS SUMMARY FOR YEARS 2022 to 2024[1]

Outlet Type	Year	Eggs Up Grill Restaurants at the Start of the Year	Eggs Up Grill Restaurants at the End of the Year	Net Change
Franchised	2023	58	70	+12
	2024	70	86	+16
	2025	86	104	+18
Company-Owned or Managed[2]	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Restaurants	**2023**	**59**	**71**	**+12**
	2024	**71**	**87**	**+16**
	2025	**87**	**105**	**+18**

1/ The numbers in this table and in Tables 2 through 4 are as of December 31 of each year.

2/ Company-owned includes affiliate-owned or managed.

TABLE NO. 2

TRANSFERS OF RESTAURANTS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE) FOR YEARS 2023 to 2025

State	Year	Number of Transfers
Georgia	2023	0
	2024	2
	2025	0
North Carolina	2023	0
	2024	0
	2025	1
South Carolina	2023	2
	2024	5
	2025	1
Total	**2023**	**2**
	2024	**7**
	2025	**2**

TABLE NO. 3
STATUS OF FRANCHISED RESTAURANTS
FOR YEARS 2023 to 2025

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Restaurants at End of Year
Alabama	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Florida	2023	3	1	0	0	0	0	4
	2024	4	2	0	0	0	0	6
	2025	6	1	0	0	0	0	7
Georgia	2023	7	2	0	0	0	0	9
	2024	9	1	0	0	0	0	10
	2025	10	3	0	0	0	0	13
Louisiana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Mississippi	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
North Carolina	2023	8	4	0	0	0	0	12
	2024	12	5	0	0	0	0	17
	2025	17	3	0	0	0	0	20
South Carolina	2023	35	1	0	0	0	0	36
	2024	36	2	0	1	0	0	37
	2025	37	2	0	0	0	0	39
Tennessee	2023	1	1	0	0	0	0	2
	2024	2	2	0	0	0	0	4
	2025	4	3	0	0	0	0	7
Texas	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	2	0	0	0	0	4

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Restaurants at End of Year
Virginia	2023	3	2	0	0	0	0	5
	2024	5	2	0	0	0	0	7
	2025	7	1	0	0	0	0	8
Totals	**2023**	**58**	**12**	**0**	**0**	**0**	**0**	**70**
	2024	**70**	**17**	**0**	**1**	**0**	**0**	**86**
	2025	**86**	**18**	**0**	**0**	**0**	**0**	**104**

TABLE NO. 4
STATUS OF AFFILIATE-OWNED EGGS UP GRILL RESTAURANTS
FOR YEARS 2023 to 2025

State	Year	Affiliate-Owned Restaurants at Start of Year	Affiliate-Owned Restaurants Opened	Affiliate-Owned Restaurants Reacquired from Franchisee	Affiliate-Owned Restaurants Closed	Affiliate-Owned Restaurants Sold to Franchisee	Affiliate-Owned Restaurants at End of Year
South Carolina	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	**2023**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**1**

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Affiliate-Owned Businesses in the Next Fiscal Year
Delaware	1	1	0
Florida	3	2	0
Georgia	3	2	0
North Carolina	6	3	0

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Affiliate-Owned Businesses in the Next Fiscal Year
Pennsylvania	0	1	0
South Carolina	7	6	0
Tennessee	3	2	0
Texas	1	1	0
Virginia	3	3	0
Totals	**27**	**21**	**0**

Exhibit D is a list of the names of all Franchisees and the addresses and telephone numbers of their Restaurants as of December 31, 2025. Exhibit D also includes Franchisees who had not opened an Eggs Up Grill Restaurant as of December 31, 2025. Exhibit E is a list of the names, cities and states and business telephone numbers (or, if unknown, the last known home telephone numbers) of every Franchisee who had an outlet terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our most recent fiscal year ending December 31, 2025), or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There is no trademark specific organization associated with the franchise system being offered.

During the last 3 fiscal years, franchisees have signed confidentiality clauses with our predecessor. In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience as Eggs Up Grill franchisees. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit F are our audited financial statements for the years ended December 31, 2025, December 31, 2024, and December 31, 2023. Our fiscal year ends on December 31 of each year.

ITEM 22
CONTRACTS

The following contracts are attached as exhibits to this disclosure document:

Exhibit B – Franchise Agreement
Exhibit C – Area Development Agreement
Exhibit H – Sample General Release

Exhibit J – Renewal Addendum
Exhibit I – State Addenda

ITEM 23
RECEIPTS

Exhibit K contains detachable documents acknowledging your receipt of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws in their respective states. For states in which we have registered or applied to register to sell franchises, we have also included the state agency we have appointed as our registered agent for service of process in that state.

CALIFORNIA

Department of Financial Protection & Innovation:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104-4428
(415) 972-8565

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2727

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62701
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
302 West Washington Street
Securities Division, E-111
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
200 West Washington Street, Room 201
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
410-576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building
525 West Ottawa Street, 5th Floor
Lansing, Michigan 48913
(517) 335-7567

(agent for service of process)

Michigan Department of Commerce,
Corporations, Securities & Commercial
Licensing Bureau
P.O. Box 30018
Lansing, Michigan 48909

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

New York State Department of Law
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222 Phone
(212) 416-6042 Fax

(agent for service of process)

Secretary of State of New York
99 Washington Avenue
Albany, New York 12231
(518) 473-+2492

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505-0510
(701) 328-2910

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex Building 69-2
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Second Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk of the State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B

FRANCHISE AGREEMENT

EUG FRANCHISING, LLC

FRANCHISE AGREEMENT

Franchisee: _____

Developer (if different): _____

Store Number: _____

Store Address: _____

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EXHIBIT C Guaranty and Assumption of Obligations
EXHIBIT D Representations and Acknowledgements

EGGS UP GRILL®
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ _____ ("**you**"), as of the date we sign this Agreement, as shown below our signature (the "**Effective Date**").

BACKGROUND

We and our Affiliates claim ownership of and may continue to develop and modify a system for the operation of restaurants (each an "**Eggs Up Grill Restaurant**") that currently operate during breakfast and lunch dayparts and use certain specified and distinct business formats, methods, procedures, designs, layouts, standards, and specifications (collectively, the "**System**") that we may improve, further develop, or otherwise modify from time to time. Eggs Up Grill Restaurants are identified by and incorporate, and the products and services they offer may be identified by, certain trademarks, service marks, and other commercial symbols we designate from time to time, including *Eggs Up Grill®* (collectively, the "**Marks**").

At our discretion and in reliance on certain information they provide us, we grant to persons or entities a franchise to own and operate an Eggs Up Grill Restaurant (a "**Franchise**"). You have requested that we grant you a Franchise and, in support of your request, have provided us with certain information regarding you and, if applicable, your owners. To induce us to enter into this Agreement, you represent to us that all statements you have made and all materials you have given us in support of your request are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise. We have relied on that information and your representations regarding it in entering into this Agreement.

1. GRANT OF THE FRANCHISE.

A. GRANT OF FRANCHISE.

Subject to the terms and conditions contained in this Agreement, we grant you the Franchise to operate an Eggs Up Grill Restaurant ("**your Restaurant**") solely at the address identified on Exhibit A (the "**Premises**"), and to use the System and Marks in its operation, for a term beginning on the Effective Date and expiring 10 years from that date (the "**Term**"), unless extended pursuant to Section 2.B below or sooner terminated under Section 14. If, as of the Effective Date, you have not obtained our written approval of a location of the Premises, then you will, within six (6) months after the Effective Date, locate the Premises solely within the Search Area described in Exhibit A, obtain our approval of those Premises, and acquire the right to occupy the Premises by purchase or lease (in accordance with Section 2.B).

You agree to, at all times, faithfully, honestly, and diligently perform your obligations under this Agreement and use your best efforts to promote your Restaurant and the Eggs Up Grill

brand. You agree to use the Premises only for your Restaurant and, once it opens for business, to continuously operate your Restaurant at the Premises in accordance with this Agreement for the duration of the Term. You agree not to conduct the business of your Restaurant at any location other than the Premises and, at all times, to develop and operate your Restaurant in strict accordance with the mandatory System Standards (defined below), which may include delivery and catering services as we direct from time to time.

B. **NO EXCLUSIVITY AND RESERVATION OF RIGHTS.**

You have no exclusive rights and no territorial protection for your Restaurant. You acknowledge that we grant rights only by expressed provisions of written agreements and not verbally or by implication, inference or innuendo. We (and our Affiliates) retain the right at all times during and after the Term to engage in any and all activities that we (and they) deem appropriate and that have not been expressly prohibited under this Agreement, wherever and whenever we (and they) desire, whether or not using the Marks or System, and whether or not such activities compete with your Restaurant, including the right to:

(1) establish and operate, and allow others to establish and operate, other businesses (including restaurants) that offer products and services that are identical or similar to products and services offered by Eggs Up Grill Restaurants on terms and conditions we deem appropriate;

(2) establish, and allow others to establish, other distribution channels (including, but not limited to, the Internet), including for products or services that are identical or similar to, or competitive with, those that Eggs Up Grill Restaurants customarily sell;

(3) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and franchising, licensing or creating similar arrangements with respect to such businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

(4) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other business, including a Competitive Business, even if such business operates, franchises or licenses such businesses in close proximity to your Restaurant; and

(5) operate or grant any third party the right to operate any Eggs Up Grill Restaurant that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement, any other franchise agreement or any other agreements.

C. **IF YOU ARE NOT AN INDIVIDUAL.**

If you are at any time a corporation, limited liability company, partnership or other form of legal entity that is not an individual (each, an "**Entity**"), you agree and represent that:

(1) You will remain validly existing and in good standing under the laws of the state of your formation and in the state in which your Restaurant is located;

(2) Your organizational and governing documents will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) Exhibit A to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your direct and indirect owners during the Term will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. The non-owner spouse of each guarantor must also sign the guaranty in the capacity and for the purposes reflected in the guaranty. Our current form of guaranty is attached hereto as Exhibit C; and

(5) You must identify on Exhibit A one of your owners who is a natural person with at least 25% ownership interest and voting power in you and who will have the authority of a chief executive officer (the "**Managing Owner**") who is and will be authorized, on your behalf, to deal with us in respect of all matters whatsoever that arise in respect of your Restaurant and this Agreement. Any decision made by the Managing Owner will be final and binding upon you, and we will be entitled to rely solely upon the decision of the Managing Owner without the necessity of any discussions with any other party named in this Agreement, and we will not be held liable for any actions taken by you or otherwise, based on any decision or actions of the Managing Owner. You must obtain our written consent prior to changing the Managing Owner.

D. THE EXERCISE OF OUR JUDGMENT.

We may operate, develop, and change the System in any manner not specifically prohibited by this Agreement. Whenever we have reserved a right to take or withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information then readily available to us and on our judgment of what is in our or the System's best interests at the time our decision is made.

2. SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF YOUR RESTAURANT.

A. SITE SELECTION.

You must, within six (6) months following the Effective Date, secure possession of your Premises as described in this Section. If, as of the Effective Date, your Premises are not identified on Exhibit A, then you must submit one or more proposed sites solely within the Search Area that you desire to be the Premises, along with all of the information we require in order to evaluate it. We reserve the right to require that you work with a real estate broker with expertise in the Search Area in conducting your search for potential sites for your Restaurant. You must secure our approval of the Premises for your Restaurant before you sign a lease, sublease or other document for which you have secured our written approval (the "**Lease**") for the site. Our determination to approve or disapprove your proposed site may be based on various criteria which may change from

time to time in our discretion. Once we approve a location in the Search Area for the Premises, we will revise Exhibit A to identify the Premises and will send you a revised copy of Exhibit A for your records.

If we recommend or give you information regarding a site for the Premises or if we approve your proposed site, that is not a representation or warranty of any kind, express or implied, of the site's suitability for an Eggs Up Grill Restaurant or any other purpose. Our recommendation or approval indicates only that we believe that the site meets our then acceptable criteria which we have established for our own purposes and are not intended to be relied on by you as an indicator of likely success. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic or other factors included in or excluded from our criteria could change, even after our approval of the Premises or your development of your Restaurant, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend fail to meet your expectations. You acknowledge and agree that your acceptance of the Franchise and selection of the Premises are based on your own independent investigation of the site's suitability for the Premises.

B. **LEASE OF PREMISES.**

If your Premises are identified on Exhibit A or once you have obtained our written approval of your Premises, you must secure possession of the approved Premises pursuant to a Lease that we approve as described in this Section 2.B. You must provide us with all information and documents we request to approve a proposed Lease prior to execution. You may not sign any Lease until we have given you our written approval of it. Our approval may be conditioned on the lessor's agreement to include certain provisions we require from time to time to protect the Eggs Up Grill brand and to ensure our ability to facilitate the continued operation of your Restaurant at the Premises despite your default of the lease or the expiration or termination of this Agreement and our exercise of our rights under this Agreement. Our current requirements are reflected in our form of lease addendum that is included in the Operations Manual. You acknowledge and agree that any of our involvement in the lease review and negotiations is for our sole benefit and the benefit of the System. We do not guarantee that the terms, including rent, will represent the most favorable terms available in that market. If you do not agree with the provisions of a Lease that we have approved, you may elect not to sign the Lease, but you would have to find another suitable site for the Premises and secure its possession by signing a Lease we have approved for such site.

You must provide us with a signed copy of the Lease within five (5) days following its complete execution by the landlord and you. We will then send to you for execution an amendment to this Agreement, in substantially the form attached to this Agreement as Exhibit B, to provide that the Term of this Agreement will expire concurrently with the expiration of the initial term of the approved Lease. You must sign and return the amendment to us within five (5) days following our delivery of it to you. We will then countersign the amendment and return a fully signed copy for your files. If you do not sign and timely return the amendment to us, the Term will expire as described in Section 1.A above.

C. **DEVELOPMENT OF YOUR RESTAURANT.**

We will provide you our then-current prototypical plans showing the standard layout and placement specifications for all required equipment, furniture, fixtures and signs (collectively the "**Operating Assets**") as part of our Operations Manual. You agree at your expense to do all things necessary and appropriate to develop and prepare your Restaurant for opening in accordance with this Agreement and our System Standards, and to open your Restaurant, by no later than six (6) months after signing the Lease for the Premises, but in any event no later than one (1) year after the Effective Date. These activities include the following:

(1) use our form template to secure bids from potential general contractors, review with us the bids received by prospective general contractors, contract with a general contractor we approve, and provide us with a copy of your selected general contractor's American Institute of Architects "contractor statement of qualifications";

(2) obtain and submit to us for approval detailed construction plans and specifications and space plans for your Restaurant that comply with any design specifications or prototypical plans provided by us and all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions;

(3) obtain all required zoning changes, planning consents, building, utility, sign and business permits and licenses, beer and wine licenses and any other consents, permits and licenses necessary to lawfully open and operate your Restaurant;

(4) construct all required improvements in compliance with construction plans and specifications we approve;

(5) decorate your Restaurant in compliance with plans and specifications we approve;

(6) purchase and install all Operating Assets; and

(7) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services.

You agree to use the vendors we select, if any (which may include us or our Affiliates), for design, engineering, construction management and purchasing services in connection with the development of your Restaurant.

D. **FINANCING; MAXIMUM BORROWING LIMITS; LIQUIDITY.**

You will, at all times, maintain sufficient working capital reserves as necessary and appropriate to enable you to comply with and satisfy your obligations under this Agreement and as necessary to timely pay your vendors and operate your Restaurant. On our request, you will provide us with evidence of working capital availability. We reserve the right, from time to time, to establish certain levels of working capital reserves, and you will comply with such requirements. We may also from time to time designate the maximum amount of debt that Eggs Up Grill Restaurants may service, and you will ensure that you will comply with such limits.

E. **OPERATING ASSETS.**

You agree to use in operating your Restaurant only those Operating Assets we approve for Eggs Up Grill Restaurants as meeting our System Standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials we approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us or our Affiliates).

F. **COMPUTER SYSTEM.**

The Operating Assets include integrated computer hardware and software, including an integrated computer-based order-entry system and computer tablets for training platforms, together with the associated hardware, software, applications, integrations and related equipment, each as we specify (the "**Computer System**"). We may modify specifications for, and components of, the Computer System. You also agree to maintain a functioning e-mail address and all specified points of high-speed Internet connection. Our modification of specifications for the Computer System, and other technological developments or events, might require you to purchase, lease, or license new or modified computer hardware or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within 60 days after we advise you of changes to the Computer System, you agree to implement such changes, and if necessary, procure any additional equipment, components, hardware, or software we designate. You must at all times during the Term ensure that your Computer System, as modified, meets our System Standards and functions properly and in compliance with all applicable laws.

We or our Affiliates may condition any license of proprietary software to you, or your use of technology that we or our Affiliates develop or maintain, on your signing a software license agreement or similar document that we or our Affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology.

Although you agree to buy, use, and maintain the Computer System according to our System Standards, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

G. **BUSINESS OPENING.**

You must do all things necessary to be ready to open your Restaurant as described in Section 2.C above, but you agree not to open your Restaurant until:

(1) we notify you in writing that your Restaurant meets our System Standards;

(2) you have obtained all applicable and required licenses and permits;

(3) you (or your Managing Owner) and your Designated Manager (as defined in Section 8.C, if applicable) satisfactorily complete training;

(4) you pay the initial franchise fee and other amounts then due to us; and

(5) you give us certificates for all required insurance policies.

3. **FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us, when you sign this Agreement, a nonrecurring initial franchise fee of $45,000 (the "**Initial Franchise Fee**"). The Initial Franchise Fee is fully earned on our execution of this Agreement and is not refundable under any circumstances.

B. **ROYALTY FEE.**

You agree to pay us, on or before Tuesday of each week, in the manner provided below (or as the Operations Manual otherwise prescribes), a weekly royalty fee (the "**Royalty**") equal to **five percent (5%)** of the weekly Gross Sales (defined in Section 3.C below) during the preceding week (currently beginning on Monday and ending on Sunday). We reserve the right to modify the time and manner in which Royalty payments are collected, in our sole discretion.

C. **DEFINITION OF "GROSS SALES".**

As used in this Agreement, the term "**Gross Sales**" means all revenue that you derive from operating your Restaurant (whether or not in compliance with this Agreement), whether from cash, check, student meal cards and dining/meal plan vouchers, tickets, tokens or other comparable forms of payment, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits and discounts your Restaurant in good faith gives to customers and your employees, but only to the extent they are pre-approved by us and/or indicated in the Operations Manual as being approved. We currently include gift certificate, gift card or similar program payments in Gross Sales when the gift certificate, gift card, other instrument or applicable credit is redeemed, but we reserve the right to change this from time to time. Gross Sales also include all insurance proceeds you receive for loss of business due to a casualty to or similar event at your Restaurant. Tips will be included in Gross Sales only to the extent you retain them and do not distribute them as compensation to your employees.

D. **TECHNOLOGY FEE.**

We require you to pay a fee (the "**Technology Fee**") to us (or our Affiliates) for ongoing subscription, maintenance and support of various technology systems, platforms, resources, and management portals. We may periodically modify the amount of the Technology Fee subject to a cap of $200 per week. You must pay the Technology Fee at the times, and in the manner, designated by us. Prior to you opening your Restaurant, we also require you to pay our then-

current technology setup fee (currently, $1,000) for our costs associated with the setup and integration of your technology systems. We may require you to enter into written agreements with us or our Affiliates to receive such services, with terms and conditions we approve. Some technology services may also be offered separately for an additional fee.

E. **INTEREST ON LATE PAYMENTS.**

All amounts you owe us for any reason will bear interest accruing as of their due date at two percent (2%) per month or the highest commercial contract interest rate the law allows, whichever is less. We will charge a service fee of $100 per occurrence for checks returned to us due to insufficient funds or in the event there are insufficient funds in the business account you designate to cover our withdrawals. We may debit your bank account automatically for the service charge and interest. You acknowledge that this Section 3.E is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Restaurant.

F. **APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We and our Affiliates may set off any amounts you or your owners owe us or our Affiliates against any amounts we or our Affiliates owe you or your owners.

G. **METHOD OF PAYMENT.**

You authorize us to debit your checking, savings or other account automatically for the Royalty, Brand Promotion Fund (as defined in Section 9.B) contributions, and other amounts due to us or our Affiliates (the "**EFT Authorization**"). You agree to sign and deliver to us any documents we require for such EFT Authorization. The EFT Authorization must remain in full force and effect during the Term and thereafter until all amounts owed to us and our Affiliates under this Agreement or otherwise are fully paid. We will debit the account you designate for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You agree to ensure that funds are available in your designated account to cover our withdrawals.

If you fail to report or we are otherwise unable to ascertain the Gross Sales, we may debit your account for 110% of the average of the last three (3) Royalty and Brand Promotion Fund contributions that we debited. If the amounts that we debit from your account are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your account during the following week.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

H. **NON-COMPLIANCE CHARGE.**

In addition to our other rights and remedies, we may charge you a non-compliance charge in an amount up to $100 per day for each violation of any term of this Agreement, including failure to pay (or to have adequate amounts available for electronic transfer of) amounts you or your Affiliates owe us or our Affiliates or failure to timely provide required reports and financial statements. In addition, if we at any time determine that you are not in compliance with this Agreement, your Royalty will be increased by 1% of Gross Sales. Non-compliance with this Agreement includes, but is not limited to, failure to pay (or to have adequate amounts available for electronic transfer) amounts you owe us or our Affiliates or failure to provide required reports and financial statements. Your Royalty will remain at the increased rate until we determine, in our sole discretion, that you have cured all deficiencies and are compliant with all terms of this Agreement. We may change or eliminate these charges in our sole discretion.

4. **TRAINING AND ASSISTANCE.**

A. **TRAINING.**

We will provide you (or your Managing Owner) and your Designated Manager (if applicable) (up to two (2) people in total) ("**Your Attendees**") with an initial training program regarding the operation of an Eggs Up Grill Restaurant. The initial training program will be conducted at a location we designate and currently lasts three (3) to six (6) weeks; provided, however, we may offer all or a portion of the initial training program virtually. We will control and may change all aspects of the initial training program, including the format, substance, duration, frequency, and location. Scheduling of the training, which we will ultimately determine, is based on factors such as Your Attendees' availability, availability of space in the program, training restaurant availability and the projected opening date of your Restaurant. We may vary the initial training program depending on the experience and skill of Your Attendees.

The initial training program must be completed, to our satisfaction, by at least you (or your Managing Owner) and your Designated Manager (if applicable) prior to, but not more than 60 days before, the initial opening of your Restaurant for business. Unless we approve otherwise, Your Attendees must attend the training program at the same time, and it must be taken, from start to finish, without interruption. You must bear or arrange for payment of all costs of Your Attendees' participation in the initial training program, including any of their salaries, benefits, accommodations, meals and travel expenses. If you desire to have more than two (2) representatives attend the initial training program, you must pay us a training fee of $5,000 for each additional person.

You may request additional training for Your Attendees at the end of the initial training program, to be provided at our then current per diem charges, if you do not feel that Your Attendees were sufficiently trained in the operation of an Eggs Up Grill Restaurant. We and you will jointly determine the duration of this additional training. However, if Your Attendees complete our initial training program to our satisfaction, and you have not expressly informed us in writing at the end of that program that you do not feel that Your Attendees were sufficiently trained in the operation of an Eggs Up Grill Restaurant, then you and they will be deemed to have been trained sufficiently to operate an Eggs Up Grill Restaurant.

If you are opening your first or second Restaurant, we will send three (3) or more trainers to your Restaurant to assist with training and opening support during the first week of your Restaurant's operations. If you are signing a Franchise Agreement for your third or subsequent restaurant, we will send one (1) trainer to your Restaurant to assist with training and opening support during the first week of your Restaurant's operations, and you will be responsible for providing additional trainers approved by us at your own cost. You will be responsible for our trainers' costs by reimbursing to us the trainers' travel costs and paying us a per diem to cover the trainers' incidental expenses such as meals and lodging while providing the assistance. The nature of the training and/or support, the length of time they are provided, the number of trainers, and the timing of the services will be at our sole discretion, may be modified, and will be subject to our trainer's availability. We may change the amount of the per diem from time to time at our sole discretion. On the earlier of the date you begin construction of your Restaurant or the date you receive funding from third-party financing for the development of your Restaurant, you will deposit $15,000 (the "**Opening Training Deposit**") which we will apply towards your payment of such amounts. The Opening Training Deposit will not bear interest. After completion of the opening training and the opening of your Restaurant, we will send you an invoice for the full per diem and travel costs. If the invoice is less than the Opening Training Deposit, we will refund the balance of the Opening Training Deposit to you.

We may require you (or your Managing Owner), your Designated Manager (if applicable), and previously trained and experienced employees to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate, including courses and programs provided by third parties we designate. Besides attending these courses, you (or your Managing Owner) and your Designated Manager (if applicable) agree to attend an annual meeting of Eggs Up Grill Restaurant owners at a location we designate. Attendance at the annual meeting will not be required for more than four (4) days during any calendar year (which may be spread over more than four (4) days if certain courses are not full-day courses). We may charge an annual meeting fee, regardless of whether you or your personnel attend such annual conference meeting, and you agree to pay all costs to attend.

If you have a new Managing Owner or Designated Manager during the Term, the new Managing Owner or Designated Manager must satisfactorily complete our then current initial training program at the then-current training fee. You also agree to pay all travel and living expenses which your Managing Owner or Designated Manager incurs during all training courses and programs.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

B. **GENERAL GUIDANCE.**

We will advise you from time to time regarding the operation of your Restaurant based on your reports or our inspections and will guide you with respect to:

(1) System Standards and other suggested standards, specifications and operating procedures and methods that Eggs Up Grill Restaurants use;

(2) purchasing required and authorized Operating Assets and other products and services;

(3) advertising and marketing materials and programs; and

(4) employee training.

We may also provide guidance via telephonic conversations, the Internet, or consultation at our offices. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including our personnels' per diem charges and travel and living expenses.

C. OPERATIONS MANUAL.

During the term of this Agreement we will provide you with access to our operations manual for the operation of Eggs Up Grill Restaurants (the "**Operations Manual**"), which may include one or more separate manuals, newsletters, memos, or bulletins, as well as any audio or video content, and/or other content available through or distributed by any Online Presence (defined in Section 5.B) or other electronic or digital means. The Operations Manual contains certain mandatory specifications, standards, operating procedures and rules that we periodically prescribe for Eggs Up Grill Restaurants ("**System Standards**"), other specifications, standards and policies we may suggest from time to time, and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards. If we make any portion of the Operations Manual available on any Online Presence, you agree to monitor and access that Online Presence for any updates to the Operations Manual. You agree that the Operations Manual and any passwords or other access credentials necessary to access the Operations Manual on any Online Presence will be deemed to be part of Confidential Information (as defined in Section 6.A). We have no obligation to provide you a printed copy of the Operations Manual.

D. DELEGATION OF PERFORMANCE.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

E. SAFETY OF OUR PERSONNEL.

We will not be required to send any of our representatives to your Restaurant to provide any assistance or services if, in our sole determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement (including to pay monies owed) and will not serve as a basis for your termination of this Agreement.

5. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS.

You acknowledge that the Marks are owned by or licensed to us by our Affiliate. Your right to use the Marks and the System is derived only from this Agreement and limited to your

operating your Restaurant according to this Agreement and all System Standards we prescribe during the Term. Your unauthorized use of the Marks or the System is a breach of this Agreement and infringes our and our other Affiliates' intellectual property rights. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and our Affiliates' (as their interests may appear) benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your Restaurant under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after the Term contest or assist any other person in contesting the validity of, or our and our Affiliates rights to, any Mark.

B. LIMITATIONS ON YOUR USE OF MARKS.

You agree to use the Marks as the sole identification of your Restaurant, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling or endorsing any unauthorized services, products, or organizations; (4) as part of any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, virtual, or digital medium of any kind ("**Online Presence**"), except in accordance with our guidelines set forth in the Operations Manual or otherwise in writing from time to time; (5) in any user name, screen name or profile in connection with any social media or social networking sites; or (6) in any other manner that we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale, or other disposition of your Restaurant or an ownership interest in you without our prior written consent. You agree to display the Marks prominently as we prescribe at your Restaurant and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trademark and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our Affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other legal or administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our and our Affiliates' attorneys, are necessary or advisable to protect and maintain our and our Affiliates' interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our and our Affiliates' interests in the Marks. We will reimburse you for your costs of taking any action that we or our Affiliates have asked you to take.

D. **DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable, in our opinion, at any time and for any reason, for us to require you to modify or discontinue using any Mark or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the signs of your Restaurant, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We and our Affiliates may exercise these rights at any time and for any reason, business or otherwise, that we and our Affiliates think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we and our other Affiliates may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

F. **NON-DISPARAGEMENT.**

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, Affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our Affiliates, any of our or our Affiliates' directors, officers, employees, representatives or Affiliates, current and former franchisees or developers of us or our Affiliates, the Eggs Up Grill brand, the System, any Eggs Up Grill Restaurant, any business using the Marks, any other brand or service-marked or trademarked concept of us or our Affiliates, or to take any action which would subject the Eggs Up Grill brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the Eggs Up Grill brand or such other brands, or which would constitute an act of moral turpitude.

6. **CONFIDENTIAL INFORMATION.**

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the System and the operation of Restaurants (including your Restaurant) (some of which constitutes our trade secrets under applicable law), regardless of whether it is marked confidential (the "**Confidential Information**"), including:

(1) site selection criteria;

(2) training and operations materials and manuals, including recipes and the Operations Manual;

(3) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating Eggs Up Grill Restaurants;

(4) market research, promotional, marketing and advertising programs for Eggs Up Grill Restaurants;

(5) knowledge of specifications for, and suppliers of, Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us, our Affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, stored in, and/or derived from the Computer System, and the software or similar technology in connection with your Restaurant (other than Restricted Data, as defined in Section 8.J) ;

(7) knowledge of the operating results and financial performance of Eggs Up Grill Restaurants, including that of your Restaurant; and

(8) customer data, including email addresses.

Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our Affiliates. All Confidential Information (i) shall be deemed our confidential and proprietary information (except with respect to the Restricted Data), (ii) shall be held by you in strict confidence, (iii) shall not be copied, disclosed or revealed to or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance, and (iv) shall not be used in connection with any other business or capacity. You will not acquire any interest in our Confidential Information other than the right to use it as we specify in operating your Restaurant during the Term. You agree, during and after the Term, to:

(a) process, retain, use, collect and disclose our Confidential Information strictly to the limited extent, and in such a manner as necessary for the development and operation of your Restaurant in accordance with this Agreement, and not for any other purpose of any kind;

(b) process, retain, use, collect and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions; and

(c) adopt and implement administrative, physical, and technical safeguards to prevent unauthorized access, use, or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures and restricting its disclosure to key personnel.

We reserve the right to require that any employee, agent or independent contractor that you hire execute a non-disclosure and non-competition agreement to protect the Confidential Information. We reserve the right to regulate the form of non-disclosure and non-competition

agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of non-disclosure and non-competition agreement that we require you to use, provide to you, or regulate the terms of, may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality and non-compete agreement that your employees, agents and independent contractors sign.

As between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 6, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 6 with the same legal force and effect as if executed by you. The obligations of this Section 6 shall survive any expiration or termination of the Agreement**.**

7. EXCLUSIVE RELATIONSHIP DURING TERM.

A. COVENANTS AGAINST COMPETITION.

(1) We have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, neither you, any of your owners, nor any of your or your owners' immediate family members will:

(a) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of your Restaurant to a Competitive Business; or

(d) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

(2) The term "**Competitive Business**" means any restaurant, food service or other business (other than another Eggs Up Grill Restaurant operated pursuant to an agreement with us): (i) that operates primarily during the breakfast and lunch dayparts, (ii) whose gross receipts from the sale of breakfast items represent, at any time, at least 10% of the business' total gross receipts, (iii) whose menu, concept, business model or method of operation is similar to that employed by restaurant businesses operated, franchised or licensed by us, (iv) that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by businesses owned, operated, franchised or licensed by us, or (v) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing. You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training programs or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights, provided that it is your responsibility to ensure that such forms comply with and are enforceable under applicable laws in your jurisdiction.

B. **NON-INTERFERENCE.**

During the Term, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will:

(1) interfere or attempt to interfere with our or our Affiliates' relationships with any vendors or consultants; or

(2) engage in any other activity which might injure the goodwill of the Marks or the System.

8. BUSINESS OPERATIONS AND SYSTEM STANDARDS.

A. CONDITION AND APPEARANCE OF YOUR RESTAURANT.

You will not use any part of the Premises for any purpose other than operating an Eggs Up Grill Restaurant in compliance with this Agreement, and you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we approve from time to time. You further agree to maintain the condition and appearance of your Restaurant, its Operating Assets and the Premises in accordance with the System Standards and, consistent with the image of Eggs Up Grill Restaurants, as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. Therefore, you agree to take, without limitation, the following actions during the Term at your expense: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals that we may

prescribe; (b) interior and exterior repair of the Premises as needed; and (c) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

You acknowledge that the appearance and operation of an Eggs Up Grill Restaurant may, and probably will, evolve and change over time. You agree to renovate, refurbish, remodel, or replace, at your own expense, the real and personal property and equipment used in operating your Restaurant when reasonably required by us to comply with our System Standards. If we change our System Standards, we shall give you a reasonable period of time within which to comply with such changes.

B. PRODUCTS AND SERVICES YOUR RESTAURANT OFFERS.

You agree that you (1) will offer and sell from your Restaurant all of the products and services that we periodically specify; (2) will not offer or sell at your Restaurant, the Premises or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove.

If we at any time require or permit you to offer delivery, catering and/or any other off-site products or services, we reserve the right to limit the geographic area in which you may offer such services, and we may modify that geographic area from time to time, in our sole discretion.

C. MANAGEMENT OF YOUR RESTAURANT.

You are solely responsible for the management, direction and control of your Restaurant. You (or your Managing Owner) must supervise the management and operation of your Restaurant and continuously exert best efforts to promote and enhance your Restaurant and to maximize its revenue and profits. However, you (or your Managing Owner) may elect not to supervise your Restaurant on a full-time basis, provided that you appoint a manager who has completed our then-current initial training program to work full-time at your Restaurant (your "**Designated Manager**"). Your Designated Manager must work full-time at your Restaurant, to supervise the day-to-day operations of your Restaurant.

D. APPROVED PRODUCTS, SERVICES, AND SUPPLIERS.

If you propose to offer, conduct, or utilize any services, products, materials, forms, items, or supplies in connection with or for sale through your Restaurant that are not approved by us, you shall first notify us in writing requesting approval. We may withhold such approval for any reason at our sole discretion; however, in order to make such determination, we may require submission of specifications, information, or samples of such services, products, materials, forms, items, or supplies. We will advise you within a reasonable time whether such products, supplies, or services meet our System Standards. A charge not to exceed the actual cost of the review may be made by us and shall be paid by you. If, at any time (including after our initial approval), we determine that you fail to meet our System Standards in connection with the provision of any products or services, including delivery services, we may permanently or temporarily terminate your right to offer such products or services; provided that nothing contained herein shall be deemed a waiver of our right to terminate pursuant to Section 14 hereof.

We and our Affiliates reserve the right to approve or designate, from time to time, manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as "**vendors**"), terms, and distribution methods for any goods or services (which include, but are not limited to, services, insurance, products, equipment, supplies, and materials). You shall purchase all goods and services required for the operation of your Restaurant from such approved or designated vendors (which may be only one vendor for any given good or service) under terms, in the manner, and from the source designated by us or any of our Affiliates. If we or any of our Affiliates designate such goods and services are to be purchased through approved or designated third-party distributors, then you shall purchase such goods and services from such distributors pursuant to the terms and in the manner approved by us and or our Affiliates. We may, at our option, arrange with designated vendors to collect or have our Affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. If we elect to do so, you agree that we or our Affiliates may auto-debit your bank account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty and other fees. We or any of our Affiliates may be a supplier, distributor, or otherwise party to these transactions, and may derive revenue or profit from such transactions. We and any of our Affiliates may use such revenue or profit without restriction.

Unless we designate certain items or services used in the development or operation of your Restaurant that you may purchase from a supplier of your choosing, you must purchase those items or services only from suppliers that are then approved by us. If you would like us to consider approving a supplier that is not then approved, you must submit your request in writing before purchasing any items or services from that supplier. We will not be obligated to respond to your request, and any actions we take in response to your request will be at our sole and unfettered discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluation the proposed supplier. We may, with or without cause, revoke our approval of any supplier at any time.

E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of your Restaurant and operate your Restaurant so as to be in compliance with PCI compliance standards and this Agreement and so as not to violate any applicable statute, ordinance or regulation, advising us immediately if you believe that anything we require you to do under this Agreement could cause you to violate any such applicable statute, ordinance or regulation. You agree to comply with our website privacy policy, as it may be amended periodically; you further agree to comply with any requests to correct or delete consumer personal information, whether requested by us or directly by the consumer, as required by applicable data-sharing and privacy laws. You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Restaurant as may be required by us or by law. You confirm that you, your owners, employees, agents, and representatives are not presently listed (nor has any such individual previously been listed) on the U.S. Treasury Department's List of Specially Designated Nationals,

the Annex to Executive Order 13224 (the Annex is currently available at http://www.treasury.gov), or in any other governmental list which prohibits us or you from dealing with such individuals, and agree not to hire any person so listed or have any dealing with a person so listed. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 16.D pertain to your obligations hereunder.

Notwithstanding the foregoing, in the event any guidance or recommendation issued by any federal, state, or local authority directly or indirectly affects the operation of your Restaurant, you will not close your Restaurant unless you obtain our prior written consent.

You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bailouts for which you qualify and that are made available to small businesses as an economic stimulus.

Your Restaurant must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure your Restaurant, our business, the goodwill associated with the Marks, or other Eggs Up Grill Restaurants. You must notify us in writing within three business days of: (1) the commencement of any action, suit or proceeding, or any audit, investigation, or similar proceeding with respect to threatened actions, suits or proceedings relating to your Restaurant; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Restaurant; (3) any notice of violation of any law, ordinance or regulation relating to your Restaurant; (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a customer or potential customer relating to your Restaurant; (5) written complaints from any customer or potential customer; and (6) any and all other notices you receive claiming that you (or your Affiliates or representatives) may have violated or breached any intellectual property rights, or the terms and conditions of any agreements related to the operation of your Restaurant, including any default notices from any landlord or supplier. You must immediately provide to us copies of any documentation you receive of any of the foregoing events and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

F. **INSURANCE.**

During the Term you must maintain in force at your sole expense comprehensive business owners coverage (including contents insurance, loss of business income, employee dishonesty, money coverage and comprehensive general liability) hired/non owned auto liability, boiler and machinery coverage, umbrella coverage, building coverage, beer and wine liability coverage, and auto liability coverage, all containing the minimum liability coverage we prescribe from time to time. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which your Restaurant is operated. We may periodically change the amounts of coverage required under these insurance policies or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards

or other relevant changes in circumstances. All insurance policies for liability coverage must name us and any Affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Restaurant on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Restaurant's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Restaurant that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Your obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by us or any other party. Additionally, no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or Affiliates under Section 16.D or otherwise.

G. **PRICING.**

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by Eggs Up Grill Restaurants. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

H. **RESTAURANT TELEPHONE NUMBERS AND LISTINGS.**

You agree that each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with your Restaurant ("any **Contact Identifiers**") will be used solely to identify your Restaurant in accordance with this Agreement. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and Online Presences.

I. COMPLIANCE WITH SYSTEM STANDARDS.

Operating and maintaining your Restaurant according to System Standards are essential to preserve the goodwill of the Marks and the goodwill of all Eggs Up Grill Restaurants. Therefore, you agree at all times to operate and maintain your Restaurant according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify System Standards, you retain the right and sole responsibility for the day-to-day management and operation of your Restaurant and the implementation and maintenance of System Standards at your Restaurant. System Standards may regulate any aspect of the operation and maintenance of your Restaurant, including, but not limited to, any one or more of the following:

(1) sales, marketing, advertising and promotional programs and materials and media used in these programs;

(2) amounts and types of Operating Assets and inventory you must purchase, install, use, and/or maintain from time to time;

(3) staffing levels for your Restaurant and employee qualifications, training, and uniforms (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions);

(4) use and display of the Marks;

(5) days and hours of operation;

(6) methods of payment that your Restaurant may accept from customers;

(7) participation in market research and testing and product and service development programs;

(8) participations in gift card and loyalty programs;

(9) menus, including product offerings, appearance, and inclusion of nutrition information;

(10) use of third-party delivery, ordering or food aggregation services;

(11) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition; and giving us copies of tax returns and other operating and financial information concerning the Franchise (we will use reasonable efforts to keep such records confidential);

(12) participation in quality assurance and customer satisfaction programs;

(13) types, amounts, terms and conditions of insurance coverage required for your Restaurant, including criteria for your insurance carriers; and

(14) any other aspects of operating and maintaining your Restaurant that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Eggs Up Grill Restaurants.

Our periodic modification of the System Standards (including changes and additions to restaurant equipment and hardware and software required for the Computer System), which may accommodate regional or local variations, may obligate you to invest additional capital in your Restaurant and incur higher operating costs.

J. **INFORMATION SECURITY.**

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("**Personal Information**"). You acknowledge and agree that all Personal Information (other than Restricted Data, defined below) is our Confidential Information and is subject to Section 6 of this Agreement.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree to, and to cause your respective current and former employees, representatives, Affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately of the breach or unauthorized access, and specify the extent to which Personal Information was compromised or disclosed, and your plans to correct and prevent any further breach or unauthorized access. You will allow us, in our discretion, to participate in any response or corrective action, and you agree to follow our instructions, if any, regarding curative actions and public statements relating to the breach or unauthorized access. We reserve the right to conduct a data security and privacy audit of any of your Restaurant and your Computer Systems at any time, from time to time, to ensure that you are complying with our requirements. You must promptly notify us if you receive any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or your compliance with your obligations relating to Personal Information under this Agreement, and/or if you have any reason to believe you will not be able to satisfy any of your obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the "**Restricted Data**"): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your Affiliates, or your Restaurant; and (b) such other Personal Information as we from time to time expressly designate as Restricted Personal Data. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusivity responsibility for all Restricted Data, including

establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Data.

K. EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Restaurant. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Restaurant in compliance with federal, state, and local employment laws.

9. MARKETING.

A. GRAND OPENING ADVERTISING.

In addition to all other amounts you are required to spend on marketing under this Agreement, you must spend at least $15,000 for a grand opening marketing program for your Restaurant to take place on the dates we designate before and after your Restaurant opens. On the earlier of the date you begin construction of your Restaurant or the date you receive funding from third-party financing for the development of your Restaurant, you will deposit $10,000 (the "**Grand Opening Deposit**") with us for the cost of goods, services, and expenses you will incur in connection with the grand opening marketing program. The Grand Opening Deposit will not bear interest. You may draw from the Grand Opening Deposit on an ongoing basis to cover your expenses incurred in connection with the grand opening marketing program approved by us; provided, that you will deliver us satisfactory invoices, receipts, purchase orders, or other evidence of such expenses. The Grand Opening Deposit is not refundable. We will not require you to spend more than $15,000 on such program without your consent. You must spend this amount in addition to all other amounts you must spend on advertising specified in this Franchise Agreement. The amount you spend on grand opening advertising will not count towards your local marketing expenditure for such year as described in Section 9.C, or the aggregate cap on annual contributions to the Brand Promotion Fund or Local Advertising Cooperative (as defined in Section 9.D below) as described in Section 9.B. You agree to use the media, materials, programs and strategies we develop or approve in connection with the grand opening advertising program.

B. BRAND PROMOTION FUND.

You agree to contribute to a promotion fund that we establish to be used to promote the awareness of the Eggs Up Grill brand and Eggs Up Grill Restaurants generally (the "**Brand Promotion Fund**"). Your contribution will be in amounts we specify from time to time, and will be payable in the same manner as the Royalty. Currently, the required Brand Promotion Fund contribution is one percent (1.6%) of your Restaurant's Gross Sales. We have capped at 4% of Gross Sales (the "**Marketing Cap**") the total amount of your required marketing spend (including

required contributions to the Brand Promotion Fund, required contributions to a Local Advertising Cooperative, and the minimum amount you are required to spend on your own local advertising). We reserve the right, at any time and on notice to you, to change the amount you must contribute to the Brand Promotion Fund, subject to the Marketing Cap. The Marketing Cap represents the maximum amount we are able to require you to spend. Further, during your Restaurant's 1st 12 months of operation, we have capped at 2% of Gross Sales the total amount of your required marketing spend (including required contributions to the Brand Promotion Fund, required contributions to a Local Advertising Cooperative, and the minimum amount you are required to spend on your own local advertising).

We or our Affiliates or other designees will direct all programs that the Brand Promotion Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Promotion Fund may pay for preparing and producing video, audio, and written materials and digital media; developing, implementing, and maintaining a System Website (as defined in Section 9.E below) and related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering advertising, marketing, and brand awareness campaigns (including search engine, social media, email, and display ad campaigns, and national, regional, and local campaigns directing funds to one or more franchisees to spend on such campaigns in their own markets); pre-opening support for franchisees; developing and administering software, apps, and related integrations; implementing a loyalty program or other marketing programs designed to encourage the use of Eggs Up Grill Restaurants; investing in demographic targeting software; designing and purchasing promotional and visual merchandising programs; and supporting public relations, market research, and other advertising, promotion, and marketing activities, including, but not limited to, development and maintenance of limited time menu offerings and product development. The Brand Promotion Fund will give you a sample of advertising, marketing, and promotional formats and materials at no cost. We may sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges, or direct you to an approved vendor to purchase those materials directly from the vendor.

We will account for the Brand Promotion Fund separately from our other funds and not use the Brand Promotion Fund for any of our general operating expenses. However, we may use the Brand Promotion Fund to reimburse us or our Affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Promotion Fund, the Brand Promotion Fund's other administrative costs, travel expenses of personnel while they are on Brand Promotion Fund business, meeting costs, overhead relating to Brand Promotion Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Promotion Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Brand Promotion Fund contributions.

The Brand Promotion Fund will not be our asset. We do not owe any fiduciary obligation to you for administering the Brand Promotion Fund or any other reason. We will use contributions for the purposes described in this Section 9.B. The Brand Promotion Fund may spend in any fiscal year more or less than the total Brand Promotion Fund contributions in that year, borrow from us

or others (paying reasonable interest) to cover deficits, invest any surplus for future use, or pay Brand Promotion Fund deficits incurred during previous years. We may use all interest earned on the Brand Promotion Fund contributions to pay costs before using the Brand Promotion Fund's other assets. We will prepare an annual, unaudited statement of Brand Promotion Fund collections and expenses and give you the statement upon written request. We may, at our discretion, have the Brand Promotion Fund audited annually, at the Brand Promotion Fund's expense, by an independent certified public accountant. We may incorporate the Brand Promotion Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9.B.

We intend for the Brand Promotion Fund to promote recognition of the applicable Marks, the Eggs Up Grill brand and patronage of Eggs Up Grill Restaurants generally. Although we will try to use the Brand Promotion Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Eggs Up Grill Restaurants contributing to the Brand Promotion Fund, we need not ensure that Brand Promotion Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Promotion Fund contributions by Eggs Up Grill Restaurants operating in that geographic area or that any Eggs Up Grill Restaurant benefits directly or in proportion to its Brand Promotion Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Promotion Fund contributions at the Brand Promotion Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Promotion Fund. Except as expressly provided in this Section 9.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Promotion Fund.

We may at any time defer or reduce contributions of an Eggs Up Grill Restaurant franchise owner and, upon 30 days' prior notice to you, reduce or suspend Brand Promotion Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Promotion Fund. If we terminate the Brand Promotion Fund, we will, at our option, either spend all unspent monies in accordance with this Section, until such amounts are exhausted, or distribute the funds in the Brand Promotion Fund to the contributing Eggs Up Grill Restaurant owners on a pro rata basis based on each franchisee's contributions.

C. **LOCAL MARKETING EXPENDITURES.**

In addition to your obligations under Section 9.A and Section 9.B above, you agree to spend money, as required in this Section 9.C, to promote your Restaurant. You agree to list and advertise your Restaurant on all major internet search engines and all major internet consumer review websites set forth in the Operations Manual and in at least one (1) recommended classified telephone directory distributed within the market area of your Restaurant (in the business classifications we prescribe from time to time) and to use the form of classified telephone directory advertisement approved by us. If other Eggs Up Grill Restaurants are located within the directory's distribution area, we may require you to participate in a collective advertisement with those other Eggs Up Grill Restaurants and to pay your share of that collective advertisement. We reserve the right to require you, at our direction, to spend, beginning after you complete your grand opening advertising obligations in Section 9.A above, at least one percent (0.4%) of your Restaurant's

weekly Gross Sales to advertise and promote your Restaurant (this may include costs of yellow pages advertising). We have the right, at any time and on notice to you, to change the amount you must spend on local advertising, subject to the Marketing Cap. Any amount of Local Advertising Cooperative contribution you make will be set off against amounts required to be spent by you under this Section 9.C. Within 30 days after the end of each calendar quarter, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding calendar quarter. Your local advertising and promotion must follow our guidelines.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. At least 30 business days before you intend to use them (or, with our permission, less but adequate time to meet publication deadlines), you agree to send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written disapproval within seven (7) days after we receive the materials, they are deemed to be disapproved. Once we approve the materials, you are permitted to use them; provided, however, that we may, in our discretion, withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System's best interests. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have disapproved.

We reserve the right, at any time, to issue you a notice that the amounts required to be spent by you under this Section 9.C shall, instead, be paid to us or our designee. If we exercise this option, we will then spend such amounts, in accordance with local Restaurant marketing guidelines and programs that we develop from time to time, to advertise and promote your Restaurant on your behalf. We may instead, in our discretion, contribute any such amounts to the Brand Promotion Fund or to a Local Advertising Cooperative in accordance with and as required under Section 9.D below. We may also elect, on one or more occasions and without prejudice to our rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on your behalf and, instead, to require you to conduct such marketing activities yourself in accordance with this Section 9.C.

D. **LOCAL ADVERTISING COOPERATIVE.**

Subject to the terms and conditions of this Section 9.D, you may request that we establish, and we may, on our own initiative, establish or direct or authorize the establishment of a local advertising cooperative ("**Local Advertising Cooperative**"). Each Local Advertising Cooperative will be comprised of geographical areas that we determine or approve in which two (2) or more Eggs Up Grill Restaurants are operating and in which their local marketing efforts are likely to overlap. Each Eggs Up Grill Restaurant located in the area covered by the Local Advertising Cooperative (including those Eggs Up Grill Restaurants that we or our Affiliates own or operate) will be required to contribute, on an equal basis, to the Local Advertising Cooperative.

Each Local Advertising Cooperative, if established, will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating franchisees to review. If a

Local Advertising Cooperative is established for the geographic area in which your Restaurant is located, you agree to sign the documents we require to become a member of the Local Advertising Cooperative and you must participate in the Local Advertising Cooperative as those documents require. We retain the power to change, dissolve and merge the Local Advertising Cooperatives.

If a Local Advertising Cooperative is established for your geographic area, you must pay into it and participate in the marketing programs it conducts, in each case, as determined by the vote of the majority of its members, with each participating Eggs Up Grill Restaurant having 1 vote. Subject to our rights to assume management of the Local Advertising Cooperative, as described below, we expect that each Local Advertising Cooperative will run autonomously, based on the majority vote of the members, but subject to our prior written approval of the proposed marketing programs and using only those marketing materials that have been provided or approved by us in advance. However, we reserve the right to determine the geographic make-up of the Local Advertising Cooperative and the minimum amounts that must be contributed to it. If the members of the Local Advertising Cooperative vote to increase the amount of the contributions above the minimums we have established, you will be required to contribute the higher amounts, but not more than 1% of your Gross Sales will count toward the Marketing Cap.

We reserve the right, at any time, to assume the management of any Local Advertising Cooperative. If we do, instead of making contributions directly to the cooperative, you will be required to make those contributions to us or our designee in the same manner as you make payments of Royalty fees. We will then execute on the directives of the majority of the members of the Local Advertising Cooperatives subject to those matters, as described above, over which we have approval or determination rights. We may, but will not be required to, segregate the funds we collect from the members of the Local Advertising Cooperative; however, we will account for those monies separately. We will be allowed to spend and allocate the Local Advertising Cooperative monies on the same types of things and in the same manner as we are allowed to do so with respect to the Brand Promotion Fund, but any marketing programs we conduct with the Local Advertising Cooperative's monies will be conducted in or will reach into the areas covered by the Local Advertising Cooperative.

In its governing documents, the Local Advertising Cooperative will be required to prepare an annual accounting of its collections and expenditures, by category, and these accountings for the most recently completed fiscal year will be available to its members on their written request.

You understand and acknowledge that your Restaurant might not benefit directly or in proportion to its contribution to the Local Advertising Cooperative from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for Eggs Up Grill Restaurants will be developed separately and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in this Section 9.D, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Local Advertising Cooperative.

E. **SYSTEM WEBSITE & ONLINE PRESENCES.**

We have established, and may continue to establish, develop and modify, Online Presences to advertise, market, and promote Eggs Up Grill Restaurants, the products and services that they offer and sell, or the Eggs Up Grill Restaurant franchise opportunity (a "**System Website**"). We may, but are not obligated to, provide you with a webpage or other presence on the System Website that references your Restaurant. If we provide you with a webpage or other presence on the System Website, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Restaurant on the System Website; (ii) notify us whenever any information on the System Website about your Restaurant is not accurate; and (iii) pay our then current initial fee and monthly maintenance fee for the Online Presences on any System Website that are dedicated to your Restaurant.

We will maintain the System Website and may use the Brand Promotion Fund's assets to develop, maintain, and update the System Website. We periodically may update and modify the System Website (including your webpage). You acknowledge that we have final approval rights over all information on the System Website (including your webpage). We may implement and periodically modify System Standards relating to the System Website.

Even if we provide you a webpage on our System Website, we will only maintain such webpage while you are in full compliance with this Agreement and all System Standards we implement (including those relating to the System Website). If you are in default of any obligation under this Agreement or our System Standards, then we may, in addition to our other remedies, temporarily remove your webpage from the System Website until you fully cure the default. We will permanently remove your webpage from the System Website upon this Agreement's expiration or termination.

Except as provided above, or as approved by us in writing in the Operations Manual, you may not develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any System Website, or displays any of the Marks. You also may not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Online Presence, without our prior written approval. If we approve the use of any such Online Presence in the operation of your Restaurant, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites, and you must prepare and link a privacy policy to such Online Presence that complies with applicable law, System Standards, and any other terms and conditions we may prescribe. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

10. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data and other

information. We may also require you to use a third party approved by us for accounting and bookkeeping services. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the 5th day of each accounting period specified by us from time to time (each an "**Accounting Period**"), a report on the Gross Sales of your Restaurant during the preceding Accounting Period;

(b) within 15 days after the end of each accounting month specified by us from time to time (each an "**Accounting Month**"), the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and your Restaurant covering the previous Accounting Month and the fiscal year to date;

(c) within 90 days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Restaurant as of the end of that calendar year, prepared in accordance with generally accepted accounting principles or, at our option, international accounting standards and principles. We reserve the right to require that you, at your expense, have these financial statements and the financial statements of any prior fiscal years audited or reviewed by an independent accounting firm designated by us in writing if we reasonably believe that the information contained in the versions you prepare yourself are inaccurate or incomplete;

(d) within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Restaurant and the Franchise; and

(e) by January 15, April 15, July 15 and October 15 of each calendar year, reports on the status (including the outstanding balance, then-current payment amounts, and whether such loan is in good standing) of any loans outstanding as of the previous calendar quarter for which your Restaurant or any of your Restaurant's equipment is collateral. You must also deliver to us, within five (5) days after your receipt, copies of any default notices you receive from any of such lenders. You agree that we or our Affiliates may contact your banks, other lenders, and vendors to obtain information regarding the status of loans of the type described herein and your accounts (including payment histories and any defaults), and you hereby authorize your bank, other lenders, and vendors to provide such information to us and our Affiliates.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of your Restaurant. You agree to preserve and maintain all records in a secure location at your Restaurant for at least three years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

Further, at our request, you will provide current financial information for your owners and guarantors sufficient to demonstrate such owners and guarantors' ability to satisfy their financial obligations under their individual guarantees.

11. INSPECTIONS AND AUDITS.

A. OUR RIGHT TO INSPECT YOUR RESTAURANT.

To determine whether you and your Restaurant are complying with this Agreement and all System Standards, we and our designated agents or representatives, may at all times and without prior notice to you:

(1) inspect your Restaurant;

(2) photograph your Restaurant and observe and record (both audio and video) the operation of your Restaurant for consecutive or intermittent periods we deem necessary;

(3) remove samples of any products and supplies;

(4) interview the personnel and customers of your Restaurant;

(5) inspect and copy any books, records, and documents relating to the operation of your Restaurant; and

(6) inspect your Computer System, including hardware, software, security, configurations, connectivity and data access.

You consent to such recordings and agree to cooperate with us (and our designees) fully during the course of these inspections and tests. You agree to obtain all third-party consents required under applicable laws to permit such recordings. If we exercise any of these rights, we will not interfere unreasonably with the operation of your Restaurant. You agree to present to your customers the evaluation forms that we periodically prescribe and to participate and request your customers to participate in any surveys performed by or for us. You must reimburse all of costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with re-inspections or follow-up visits that we conduct after any audit or inspection of your Restaurant identifies one or more failures of System Standards, and/or if any follow-up visit is necessary because we or our designated representatives were for any reason prevented from properly inspecting any or all of your Restaurant (including because you or your personnel refuse entry to the Premises).

B. OUR RIGHT TO AUDIT.

We and our designated agents or representatives may at any time during your business hours, and without prior notice to you, examine your Restaurant, bookkeeping, and accounting records for your Restaurant, and sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Gross Sales, you agree to pay us, within 15 days after receiving the examination report, the Royalty and Brand Promotion Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated

amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Brand Promotion Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees, as well as pay all interest, in addition to the unpaid amounts, accrued from the date payment was due. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. **TRANSFER.**

A. **BY US.**

We maintain a staff to manage and operate the System, and staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign this Agreement and any other agreement to a third party without restriction.

B. **BY YOU.**

The rights and duties this Agreement creates are personal to you (or to your owners if you are an Entity), and we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither this Agreement (or any interest in this Agreement), your Restaurant or substantially all of its assets, any direct or indirect ownership interest in you (regardless of its size), nor any ownership interest in any of your owners (if such owners are legal entities) may be transferred without our prior written approval, which consent will not be unreasonably withheld or delayed; provided, however, that transfers among your current owners of ownership interests in you will require prior notice to us but will not require our consent as long as the Managing Owner and Control (defined in Section 17.O below) of you are not changed as a result of such transfer. You further agree that you will not enter into any proposed mortgage, pledge, hypothecation, encumbrance or giving of a security interest in or which affects your Restaurant, this Agreement or your rights under this Agreement without our prior written consent.

A transfer of your Restaurant ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement, is void, and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in:

(1) this Agreement;

(2) you;

(3) your Restaurant or substantially all of its assets; or

(4) your owners (if such owners are legal entities).

An assignment, sale, gift, or other disposition includes the following events:

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(c) any sale of a security convertible to an ownership interest;

(d) transfer of an interest in you, this Agreement, your Restaurant or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, your Restaurant or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; and

(f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon your Restaurant, or your transfer, surrender, or loss of the possession, control, or management of your Restaurant.

If you intend to list your Restaurant for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the transfer or other disposition of your Restaurant or of any ownership in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of your Restaurant or of any ownership interest in you without our prior written approval of such materials.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

You may not transfer this Agreement before the Eggs Up Grill Restaurant has opened for business. Thereafter, if you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the following conditions before or concurrently with the effective date of the transfer:

(1) you submit a written application requesting our consent and providing us all information or documents we request about the proposed transfer, the transferee and its owners that we request to evaluate their ability to satisfy their respective obligations under our then-current form of franchise agreement and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an Entity) or Affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(2) you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms. If you or your owners offer the transferee financing for any part of the purchase price, you and your owners hereby agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Restaurant are subordinate to the transferee's obligation to pay Royalty, Brand Promotion Fund contributions, and other amounts due to us, our Affiliates, and third-party vendors and otherwise to comply with this Agreement (or any applicable franchise agreement replacing this Agreement);

(3) you (and your owners) and the transferee (and its owners) sign our then-current consent to transfer agreement ("**Consent to Transfer**"), in a form satisfactory to us, including: (i) a general release of any and all claims against us and our Affiliates and our and their owners, officers, directors, employees, and agents, (ii) a covenant that you and your transferring owners (and your and their immediate family members) will not engage in any of the activities proscribed in Section 15.D. below for two years beginning on the later of the transfer's effective date or the date upon which such parties begin to comply with such obligations, (iii) covenants that you and your transferring owners satisfy all other post-termination obligations under this Agreement, and (iv) covenants to upgrade, remodel, and refurbish your Restaurant in accordance with our specifications within 120 days after the effective date of the transfer, if we so require;

(4) all representations and warranties made in the Consent to Transfer by you, your owners, the transferee or the transferee's owners are true and correct as of the closing date of the transfer, and you (and your owners) and transferee (and its owners) otherwise comply with all terms applicable to the Consent to Transfer, including terms applicable to the associated transfer of any applicable multi-unit development agreement or other agreements between you and us;

(5) you have paid all Royalty, Brand Promotion Fund and advertising cooperative contributions, and other amounts owed to us, our Affiliates, and third-party vendors and have submitted all required reports and statements;

(6) you and your owners have not violated any provision of this Agreement, the Lease, the Consent to Transfer or any other agreement with us or our Affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(7) the transferee and its owners have not violated any provision of the Consent to Transfer, any franchise agreement it has signed to take over operation of your Restaurant, or any other agreement with us or our Affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(8) all persons required to complete training under the transferee's franchise agreement satisfactorily complete our training program, and transferee has paid all costs and expenses we incur to provide the training program to such persons;

(9) if the proposed transfer (including any assignment of the Lease or subleasing of the Premises) requires notice to or approval from your landlord, or any other action under the terms of the Lease, you have taken such appropriate action and delivered us evidence of the same;

(10) you have cured all deficiencies at your Restaurant that we have identified in any of our pre-sale inspections, which will be identified in your Consent to Transfer;

(11) your Restaurant is being operated in or is remodeled and refurbished, in all respects, to be in compliance with our then-current prototype and System Standards (including with respect to design and finishes) and all Operating Assets are in place and in good working order;

(12) the transferee, at our request, signs our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(13) you pay us a transfer fee in the amount of 50% of the initial franchise fee if the transfer is of the Agreement or a majority of the ownership interests in you, or (ii) reimbursement of our expenses (plus any training costs the transferee must pay if it desires or is required to attend training) if the transfer is of a minority of the ownership interests in you; and

(14) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of your Restaurant, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Restaurant that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Restaurant.

Our approval of a transfer of ownership interests in you as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as at least one of the Managing Owners designated on Exhibit A continues to be the designated Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have nine months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve in accordance with this Section 12.C.

D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.

If you do not originally sign this Agreement as an Entity, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than your Restaurant, in which you maintain management control, and of which you own and control 100% of the economic interests, equity and voting power of all issued and outstanding ownership interests, provided that all of the assets of your Restaurant are owned, and the business of your

Restaurant is conducted, only by that single corporation or limited liability company. Any such proposed transfer will be subject to the conditions described in Section 12.C, except that (1) in lieu of a transfer fee, you will be required to reimburse us for the expenses we incur in connection with the transfer (including reviewing your documents, preparing documents, and otherwise processing the transfer, including reasonable legal fees), and (2) our right of first refusal under Section 12.G will not apply. You will remain personally liable under this Agreement for any matters that arise prior to the transfer, and your owners will be required to execute a Guaranty and Assumption of Obligations on our then-current form (the current form is attached hereto as Exhibit C).

E. **EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and your Restaurant, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Restaurant or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with this Agreement.

F. **PUBLIC OR PRIVATE OFFERING.**

Written information used to raise or secure funds can reflect upon us and the System. You agree to submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our Affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn. You may not engage in a public offering of securities without our prior written consent.

G. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) desire to sell or transfer for consideration an interest in this Agreement and your Restaurant, or a direct or indirect ownership interest in you (except to or among your current owners, which is not subject to this Section 12.G), in a transaction that otherwise would be allowed under Sections 12.B and C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and your Restaurant. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12.B and C above. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding:

(a) ownership and condition of and title to ownership interests or assets;

(b) liens and encumbrances relating to ownership interests or assets; and

(c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we exercise our right of first refusal, you and your selling owner(s) (and your and their immediate family members) agree that, for two years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 15.D. below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.B and 12.C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 12.B and 12.C above, you (or your owners) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. **EXPIRATION OF THIS AGREEMENT.**

A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during the Term; and

(2) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13.B. below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(3) provided that (a) you maintain possession of and agree (regardless of cost) to remodel or expand your Restaurant, add or replace improvements and Operating Assets, and otherwise modify your Restaurant as we require to comply with our then-current prototype and System Standards (including with respect to design and finishes) then applicable for new Eggs Up Grill Restaurants, or (b) at your option, you secure a substitute premises that we approve and you develop those premises according to System Standards then applicable for Eggs Up Grill Restaurants,

then you may acquire a successor franchise to operate your Restaurant as an Eggs Up Grill Restaurant for successive terms of ten (10) years each. You agree to sign the franchise agreement we then use to grant franchises for Eggs Up Grill Restaurants (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided that we will waive the initial franchise fee. However, you must pay a renewal fee equal to the greater of (i) twenty-two thousand five hundred dollars ($22,500), or (ii) 50% of the initial franchise fee. If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14.B.

B. **GRANT OF A SUCCESSOR FRANCHISE.**

You must give us written notice of your election to acquire a successor franchise at least six (6) months before this Agreement expires. We will give you written notice ("**Our Notice**"), not more than 90 days after we receive your notice, of our decision:

(1) to grant you a successor franchise;

(2) to grant you a successor franchise on the condition that you correct existing deficiencies of your Restaurant or in your operation of your Restaurant;

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise; or

(4) not to grant you a successor franchise because we are no longer granting franchises for Eggs Up Grill Restaurants.

If applicable, Our Notice will:

(a) describe the remodeling, expansion, improvements, or modifications required to bring your Restaurant into compliance with then applicable System Standards for new Eggs Up Grill Restaurants; and

(b) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

C. **AGREEMENTS/RELEASES.**

In order to acquire a successor franchise, you must satisfy all of the other conditions for a successor franchise and you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Eggs Up Grill Restaurants (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our Affiliates and our and their owners, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution (together with the successor franchise fee) within 30 days after their delivery to you to be an election not to acquire a successor franchise.

14. TERMINATION OF AGREEMENT.

A. BY YOU.

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of this Agreement other than according to this Section 14.A. will be deemed a termination without cause and a breach of this Agreement. Abandoning your Restaurant in the manner described in Section 14.B(5) below will be deemed your termination of this Agreement without cause.

B. **BY US.**

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating your Restaurant;

(2) you do not sign a Lease for an acceptable site for the Premises within the time periods specified under Section 2.A;

(3) you do not open your Restaurant for business within the deadline set forth in Section 2.C;

(4) we determine any of Your Attendees are not capable or qualified to satisfactorily complete initial training;

(5) you (i) close your Restaurant for business or inform us of your intention to cease operation of your Restaurant, (ii) fail to actively operate your Restaurant for three (3) or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under this Agreement;

(6) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;

(7) you fail to maintain the insurance we require and do not correct the failure within 10 days after we deliver written notice of that failure to you;

(8) you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of your Restaurant or the goodwill associated with the Marks;

(9) you (or any of your owners) make or attempt to make an unauthorized transfer (as defined in section 12.B);

(10) you lose the right to occupy the Premises;

(11) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(12) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Restaurant and fail to correct such violation within 72 hours after you receive notice from us or any other party;

(13) you fail to pay us or our Affiliates any amounts due and do not correct the failure within 10 days after written notice of that failure has been delivered, or fail to comply with any third-party obligations arising out of your ownership or operation of your Restaurant (including payment of amounts due) and do not correct such failure within any cure periods permitted by the person or Entity to whom such obligations are owed;

(14) you fail to pay when due any federal or state income, service, sales, use, employment or other taxes due on or in connection with the operation of your Restaurant, unless you are in good faith contesting your liability for these taxes;

(15) you understate the Gross Sales three (3) times or more during the Term;

(16) you (or any of your owners) (a) fail on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(17) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Restaurant is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Restaurant is not vacated within 30 days following the order's entry;

(18) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you;

(19) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(20) you create or allow to exist any condition in connection with your operation of your Restaurant, at any location, which we reasonably determine to present a health or safety concern for the Eggs Up Grill Restaurant's customers or employees;

(21) you fail to pass quality assurance audits, and do not cure such failure within 15 days after we deliver written notice of failure to you;

(22) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you;

(23) you (or any of your owners) have received more than two notices from us that you (or your owner(s) or your Designated Manager) have acted inappropriately or abusively towards us and/or our representatives and affiliates, other franchisees, and/or your customers, whether in connection with the operation of your Restaurant under this Agreement or any other agreement between you and us or our affiliates; or

(24) you or an Affiliate fails to comply with any other agreement with us or our Affiliate and do not correct such failure within the applicable cure period, if any.

C. **INTERIM OPERATIONS.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and operate your Restaurant on an interim basis (or to appoint a third party to do so) for any period of time we deem appropriate but not to exceed 90-day increments, renewable for up to one year, in the aggregate. We will periodically discuss with you the results of operation of your Restaurant during the time that we (or such third party) operate it. If we (or a third party) assume interim operations of your Restaurant pursuant to this Section 14.C, you agree to pay us

(in addition to the Royalty, Brand Promotion Fund contributions, and other amounts due under this Agreement) an amount equal to ten percent (10%) of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period we deem appropriate. If we (or a third party) assume interim operations of your Restaurant, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Restaurant incurs, or to any of your creditors for any supplies, products, or other assets or services your Restaurant purchases, while we (or the third party) operate your Restaurant.

We (or a third party) may elect to operate your Restaurant on an interim basis, immediately on notice and during any cure period required under this Agreement or applicable law, if we have provided you with a notice of default of termination under Section 14.B. If we exercise our rights under this Section, that will not affect our right to terminate this Agreement under Section 14.B. above. Your indemnification obligations under Section 16.D will continue to apply during any period that we or our designee operate your Restaurant pursuant to this Section.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within 15 days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Royalty, Brand Promotion Fund contributions, accrued interest, and all other amounts owed to us (and our Affiliates) which then are unpaid.

B. DE-IDENTIFICATION.

When this Agreement expires or is terminated for any reason:

(1) you may not directly or indirectly at any time or in any manner (except with other Eggs Up Grill Restaurants you own and operate) identify yourself or any business as a current or former Eggs Up Grill Restaurant or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of an Eggs Up Grill Restaurant in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us, at your expense, within 30 days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to an Eggs Up Grill Restaurant that we request and allow us, without liability to you or third parties, to remove these items from your Restaurant;

(4) if we do not have or do not exercise an option to purchase your Restaurant under Section 15.E below, you agree promptly and at your own expense to make the

alterations we specify in the Operations Manual (or otherwise) to distinguish your Restaurant clearly from its former appearance and from other Eggs Up Grill Restaurants in order to prevent public confusion and in order to comply with the non-competition provisions set forth in Section 15.D;

(5) you agree to comply with your obligations with respect to the telephone numbers, telephone listings and Internet Addresses as described in Section 8.H; and

(6) you agree to give us, within 30 days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you.

D. **COVENANT NOT TO COMPETE/NON-INTERFERENCE.**

(1) **Non-Competition**. Upon termination or expiration of this Agreement, you and your owners agree that, for two years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15.D begin to comply with this Section 15.D, whichever is later, neither you nor any of your owners (or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined in Section 7 above) located or operating:

(a) within a 10-mile radius of the Premises; or

(b) within a 10-mile radius of any other Eggs Up Grill Restaurant in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 15.D begin to comply with this Section 15.D.

These restrictions also apply after transfers to any transferor, as of the effective date of such transfer, as provided further in the Consent to Transfer. If any person restricted by this Section 15.D refuses voluntarily to comply with these obligations, the two-year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 15.D will not deprive you of your personal goodwill or ability to earn a living.

(2) **Non-Interference**. You further agree that, beginning on the effective date of termination or expiration, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the

foregoing, will: interfere or attempt to interfere with our or our Affiliates' relationships with any vendors or consultants; or engage in any other activity which might injure the goodwill of the Marks or the System.

E. **OUR RIGHT TO PURCHASE YOUR RESTAURANT.**

In addition to any other rights to purchase we have under this Agreement or under any multi-unit development agreement between us and you or your Affiliates, we have the right to purchase your Restaurant, as described in this Section 15.E (the "**Purchase Option**"), upon the expiration of this Agreement without the grant of a Successor Franchise (except where a Successor Franchise was not granted because we are not then offering franchises), our termination of this Agreement under Section 14.B (except where the sole cause for termination was your or your associate's failure to comply with the development schedule set forth in the multi-unit development agreement pursuant to which this Agreement was executed), or your termination of this Agreement without cause (each of the foregoing, a "**Termination Event**").

We may exercise the Purchase Option by giving you written notice of our election by not later than 30 days after the occurrence of the Termination Event (the "**Election Period**"). The purchase price for your Restaurant will be the net realizable value of the Restaurant's tangible assets in accordance with the liquidation basis of accounting (not the value of your Restaurant as a going concern) ("**Liquidation Value**"). Closing of the purchase will take place, as described below, on a date we select which is within 90 days after determination of the purchase price in accordance with this Section.

If you dispute our calculation of the purchase price, the purchase price will be determined by one independent accredited appraiser designated by us who will calculate the purchase price applying the criteria specified above. We agree to select the appraiser within 15 days after we receive the financial and other information necessary to calculate the purchase price (if you and we have not agreed on the purchase price before then). You and we will share equally the appraiser's fees and expenses. The appraiser must complete its calculation within 30 days after its appointment. The purchase price will be the appraiser's determination of the value, applying the appropriate mechanism as described above.

During the Election Period and (if we elect to exercise the Purchase Option) through the closing, we may (i) assume (or to designate a third party to assume) operations of the Restaurant, (ii) require you to operate the Restaurant in compliance with this Agreement, or (iii) require you to close the Restaurant. In any case, you shall maintain in force all insurance policies and business licenses required pursuant to this Agreement through the Closing Date, unless we do not exercise the Purchase Option prior to the expiration of the Election Period. If we elect to assume operations (or to designate a third party to do so) of the Restaurant after a Termination Event, you acknowledge and agree that any and all revenue of the Restaurant during such period will belong to us. Prior to closing, you agree to cooperate with us in conducting due diligence, including providing us with access to your business and financial records, relevant contracts and all other information relevant to your Restaurant. At the closing, we (or our assignee) will pay the purchase price in cash. You agree to execute and deliver to us (or our assignee):

(a) an Asset Purchase Agreement and all related agreements, in form and substance acceptable to us and in which you provide all customary warranties and

representations, including representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise;

(b) a transfer of good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(c) an assignment of all of the licenses and permits for your Restaurant which may be assigned or transferred;

(d) an assignment of the Lease;

(e) general releases, in form and substance satisfactory to us, of any and all claims you and your owners have against us and our owners, officers, directors, employees, agents, successors, and assigns; and

(f) an agreement, in form and substance satisfactory to us, voluntarily terminating this Agreement under which you and your owners agree to comply with all post-term obligations set forth in Sections 15.A-15.D and with all other obligations which, either expressly or by their nature, are intended to survive termination or expiration of this Agreement.

F. **LOST REVENUE DAMAGES.**

If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties, and that the Brand Promotion Fund and Local Advertising Cooperatives would have otherwise derived from your continued contributions to those funds, through the remainder of the term of this Agreement. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalties, contributions to the Brand Promotion Fund and contributions to the Local Advertising Cooperative that would have become due had this Agreement not been terminated, from the date of termination to the scheduled expiration of the term of this Agreement. For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the average monthly Gross Sales of your Restaurant for the 12 months preceding the earlier of (a) the date on which your Restaurant ceased full operations in accordance with this Agreement, or (b) the date of termination (the "**Measurement Period**"), or (2) if termination occurs before the first anniversary of the Restaurant's initial opening date, the average monthly Gross Sales of all Eggs Up Grill Restaurants during our fiscal year immediately preceding the commencement of the Measurement Period.

You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within 15 days after this Agreement expires or is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost

Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

G. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including all obligations relating to non-disparagement, non-competition, non-solicitation, confidentiality, Inventions, indemnification, information security, and data privacy.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

This Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, your personnel, and others as the owner of your Restaurant under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

B. NO LIABILITY TO OR FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Restaurant or the business you conduct under this Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors.

C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Restaurant, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any such taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.

D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our Affiliates, and our and their respective owners, directors, managers, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of: (i) the Restaurant, the premises thereof, or the development or operation of your Restaurant, (ii) the business you conduct under this Agreement, (iii) your breach of this Agreement, and/or (iv) your employment practices

that are instituted by your employees including those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may, in its discretion and at your expense, control the defense of any claim against it (including choosing and retaining its own legal counsel), agree to settlements of claims against it, and take any other remedial, corrective, or other actions in response to such claims. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

17. **ENFORCEMENT.**

A. **SECURITY INTEREST.**

As security for the performance of your obligations under this Agreement, including payments owed to us or our Affiliates for purchases by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the Operating Assets and all other assets of your Restaurant, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Restaurant and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

B. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible

under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of the Termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

C. **WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with the Terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Eggs Up Grill Restaurants; the existence of franchise agreements for other Eggs Up Grill Restaurants which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

D. **COSTS AND ATTORNEYS' FEES.**

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees incurred by the prevailing party in connection with such proceeding.

E. **YOU MAY NOT WITHHOLD PAYMENTS DUE TO US.**

You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement.

F. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

G. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us or any of our Affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to:

(1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates);

(2) our relationship with you;

(3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 17.G, which we and you acknowledge is to be determined by an arbitrator, not a court); or

(4) any System Standard,

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, Spartanburg, South Carolina). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party and may be enforced in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our Affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same

proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our Affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, Affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third party, or (iv) brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories.

The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

H. **GOVERNING LAW.**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement or any related agreements, the franchise and all claims arising from the relationship between us (or any of our Affiliates, and our and their respective owners, officers, directors, agents, representatives, and employees) and you (or any of your owners, guarantors, Affiliates, and employees) will be governed by the laws of the State of South Carolina, without regard to its conflict of laws rules, except that (1) any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of

this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Restaurant is located.

I. **CONSENT TO JURISDICTION.**

Subject to the obligation to arbitrate under Section 17.G above and the provisions below, you and your owners agree that all actions arising under this Agreement or any related agreements, or otherwise as a result of the relationship between you (or any of your owners, guarantors, Affiliates, and employees) and us (or any of our Affiliates, and our and their respective owners, officers, directors, agents, representatives, and employees) must be commenced in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently Spartanburg, South Carolina), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

J. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

Except for your obligation to indemnify us for third party claims under Section 16.D, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action or proceeding, brought by either of us.

K. **INJUNCTIVE RELIEF.**

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

L. **BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by our and your duly-authorized officers.

M. **LIMITATIONS OF CLAIMS.**

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced in accordance with this Agreement within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, owners, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

We and you agree that any proceeding will be conducted on an individual basis and that any proceeding between us and any of our Affiliates, or our and their respective owners, officers, directors, agents and employees, on the one hand, and you or your owners, guarantors, Affiliates and employees, on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third party, or (iv) brought on your behalf by and association or agent.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

N. **AGREEMENT EFFECTIVENESS.**

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer or other duly authorized representative of ours. Notwithstanding that this Agreement shall not be effective until we sign it, we reserve the right to make the effective date of this Agreement the date on which you signed the Agreement.

O. **CONSTRUCTION AND CERTAIN DEFINITIONS.**

The preambles and exhibits are a part of this Agreement, which together with this Agreement constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Restaurant (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnish to you. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as provided in Section 16.D, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute

right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs. If two or more persons are at any time the owners of the Franchise and your Restaurant, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

As used in this Agreement:

(1) "Affiliate" means any person or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling another person or Entity.

(2) "Control" means the power to direct or cause the direction of management and policies.

(3) "Day" means a calendar day unless the reference is to "business day," which means only those days that are not official US holidays.

(4) "Including" means (unless specified otherwise where used) "including, without limitation."

(5) "Owner" means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Restaurant or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or your Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

(6) "Ownership interest" means the percent of the voting shares or other voting rights that results from dividing all of the ownership interests by the number of owners.

(7) "Your Restaurant" includes all of the assets of the Eggs Up Grill Restaurant you operate under this Agreement, including its revenue and the Lease.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in Illinois, Indiana, Maryland, Michigan, New York, Virginia, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

P. **LAWFUL ATTORNEY.**

Notwithstanding anything otherwise contained in this Agreement, if you do not execute and deliver any documents or other assurances so required of you pursuant to this Agreement or if

we take over the management or operation of the business operated hereunder on your behalf for any reason, you hereby irrevocably appoint us as your lawful attorney with full power and authority, to execute and deliver in your name any such documents and assurances, and to manage or operate the business on your behalf, and to do all other acts and things, all in such discretion as we may desire, and you hereby agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and save us harmless from all claims, liabilities, losses, or damages suffered in so doing. You also hereby appoint us as your attorney-in-fact to receive and inspect your confidential sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the term of this Agreement.

Q. **PROHIBITED PARTIES.**

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

(a) Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.

(b) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our Affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the term of the Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

18. **NOTICES AND PAYMENTS.**

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one of the following:

(a) at the time delivered via electronic transmission and, in the case of the Royalty, Brand Promotion Fund contributions, and other amounts due, at the time we actually receive payment;

(b) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(c) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of your Restaurant. Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent. Any notice that we send to you by electronic means will be deemed delivered if it is delivered to the email address of the Principal Owner listed on Exhibit A or any other email address your Managing Owner has notified us of, and/or any branded email address we issue your Managing Owner that is associated with a System Website.

19. **COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

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

FRANCHISOR:	**FRANCHISE OWNER:**
EUG FRANCHISING, LLC, a Delaware limited liability company	_____ **[Name of Franchisee]**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
EFFECTIVE DATE:_____	Date: _____

EXHIBIT A
TO FRANCHISE AGREEMENT

1. **Form of Owner**.

   (a) **Individual Proprietorship**. Your owner(s) (is) (are) as follows:

   _____

   _____

   (b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name unless indicated in the following: _____.

2. **Owners**. The following identifies the owner that you have designated as, and that we approve to be, the Managing Owner and lists the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Type / Percentage of Interest**
Managing Owner:	_____	_____%
Other Owners:	_____	_____%
	_____	_____%
	_____	_____%

[*Exhibit A continues on following page*]

3. **Search Area**:

If we and you have not agreed on a location for the Premises as of the Effective Date, then the geographic area in which you are permitted to search for candidate sites for your Restaurant shall be defined either by the geographic boundaries set forth below or by the geographic boundaries set forth on the attached map (the "**Search Area Map**") or other visual rendering (the "**Search Area**").

Unless otherwise set forth herein, you shall have exclusive rights to the Search Area for a period of 6 months after the Effective Date (the "**Search Area Exclusivity Period**"). You acknowledge and understand that after the expiration of the Search Area Exclusivity Period it is possible at any one time to have more than one prospective franchisee of the System seeking to locate Premises for an Eggs Up Grill Restaurant within the Search Area.

For the avoidance of any doubt, the Search Area is not an exclusive or protected territory surrounding your Restaurant. The Search Area may not be modified or amended except in a writing signed by us and specifically identified as an amendment to the Search Area. The following is the description of the Search Area. If there is no description on the following lines, then the area shown on the attached Search Area Map shall describe the Search Area:

_____

_____

_____

As set forth in Section 2.A of this Agreement, once a Location is selected, approved by us, and purchased or leased by you, we will complete Section 4 of this Exhibit A entitled "Restaurant Premises" and provide you an updated copy of Exhibit A thereby confirming the location of the Premises. At such time, the Search Area shall become null and void and no longer applicable to this Agreement.

4. **Restaurant Premises**: _____

5. **Managing Owner's Email**: _____

FRANCHISOR:	**FRANCHISE OWNER:**
EUG FRANCHISING, LLC, a Delaware limited liability company	_____ **[Name of Franchisee]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A (cont.)

(Search Area Map)

(If there is no written description of the Search Area in Section 3 of this Exhibit A, then the Search Area shall consist of the area shown on the map below.)

[*If applicable, insert Search Area Map here.*]

EXHIBIT B

AMENDMENT TO FRANCHISE AGREEMENT

(Defining the Term)

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "**Amendment**") is entered into as of the Effective Date, by and between **EUG FRANCHISING, LLC** ("**us**") and **[FRANCHISEE NAME]** ("**you**"). The Effective Date is the date we sign this Agreement as shown beneath our signature.

RECITALS

A. We and you are parties to a franchise agreement dated as of [date of FA] (the "**Franchise Agreement**"), pursuant to which we granted you, and you accepted, the right to develop and operate an Eggs Up Grill®-branded restaurant at a location yet to be determined and designated in the Franchise Agreement as "TBD – [area]."

B. You have now signed a Lease for the approved Premises located at [address], the initial term of which expires on [date of lease expiration] (the "**Lease Expiration Date**").

C. We and you desire to amend the Franchise Agreement as described herein. Capitalized terms used but not defined in this Amendment have the meanings given them in the Franchise Agreement.

AGREEMENT

IN CONSIDERATION of the foregoing Recitals, the covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. **Definition of "Term"**. Section 1.A of the Franchise Agreement (*Grant of Franchise*) is supplemented and amended by adding the following to the end of the Section:

Notwithstanding the foregoing, the Term will expire on the Lease Expiration Date.

2. **Miscellaneous**. All other provisions of the Franchise Agreement shall continue in full force and effect as set forth therein. This Amendment will govern, control and supersede any terms in the Franchise Agreement that are inconsistent or conflicting with those contained herein. This Amendment may be executed in one or more counterparts, each of which will be deemed an original. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

IN WITNESS WHEREOF, you and we have signed this Amendment on the dates shown below and made effective as of the Effective Date.

FRANCHISOR:	**FRANCHISEE**:
EUG FRANCHISING, LLC	**[FRANCHISEE NAME]**
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title/Capacity: _____
Date*: _____	Date: _____
(*This is the Effective Date)	

EXHIBIT C
TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____ _____, 20 __, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the "Agreement") on this date by **EUG Franchising, LLC** ("us"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ ("Franchise Owner") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchise Owner or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, the undersigned shall present updated financial information to us as reasonably necessary to demonstrate his or her ability to satisfy the financial obligations of Franchise Owner under the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchise Owner arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 17 (Enforcement) of the Agreement, including Section 17.D (Costs and Attorneys' Fees), Section 17.G (Arbitration), and Section 17.I (Consent to

Jurisdiction) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse and personally agrees to be bound by the obligations in the Agreement regarding Confidential Information (Section 6) and Competitive Businesses (Sections 7.A and 15.D). Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely for the purposes described above and, as necessary, to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	**SPOUSE(S)**
Name:_____ Sign: _____ Address: _____ _____ _____ Email: _____	Name:_____ Sign: _____ Address: _____ _____ _____ Email: _____
Name**:**_____ Sign: _____ Address: _____ _____ _____ Email: _____	Name**:**_____ Sign: _____ Address: _____ _____ _____ Email: _____

EXHIBIT D
TO THE FRANCHISE AGREEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE A RESIDENT OF, YOUR RESTAURANT WILL BE OPERATED IN, OR THE FRANCHISE GRANTED IS SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS OF: ILLINOIS, INDIANA, MARYLAND, MICHIGAN, NEW YORK, VIRGINIA, OR WISCONSIN. DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF MARYLAND OR THE BUSINESS IS TO BE OPERATED IN MARYLAND.

The purpose of this Statement is to demonstrate to EUG FRANCHISING, LLC ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the franchise rights ("Franchisee"), (a) fully understands that the purchase of an Eggs Up Grill Restaurant franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL: _____ _____
I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in the FDD and only in these documents and applicable state law. I acknowledge that I have had the opportunity to personally and carefully review the FDD and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the FDD for me and to have them help me understand the FDD. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL: _____ _____

Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL: _____ _____
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL: _____ _____
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL: _____ _____
PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD? ☐ Yes ☐ No (Initial Here: ____) ☐ Yes ☐ No (Initial Here: ____) If you selected "Yes," please describe the information you received on the lines below: _____ _____.	

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the

International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

FRANCHISEE: [*if legal entity, insert name here*]

Sign: _____
Date: _____
Capacity: Individually and, if applicable, on behalf of Franchisee

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

_____

AREA DEVELOPER

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ATTACHMENTS

ATTACHMENT A - Development Area; Development Schedule; Ownership
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EUG FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**we**"), and the entity identified below in the signature blocks of this Agreement ("**you**"), as of the date signed by us and set forth below our signature on this Agreement (the "**Effective Date**").

1. BACKGROUND.

We grant, to persons or entities who we determine meet our qualifications, franchises (each a "**Franchise**") for the development and operation of restaurants (each an "**Eggs Up Grill Restaurant**") that currently operate during breakfast and lunch dayparts and use certain specified and distinct business formats, methods, procedures, designs, layouts, standards, and specifications (collectively, the "**System**") that we may improve, further develop, or otherwise modify from time to time. Eggs Up Grill Restaurants are identified by and incorporate, and the products and services they offer may be identified by, certain trademarks, service marks, and other commercial symbols we designate from time to time, including *Eggs Up Grill*® (collectively, the "**Marks**"). Each Eggs Up Grill Restaurant is subject to and governed by a written franchise agreement and related agreements between us and the owner of the restaurant (each a "**Franchise Agreement**").

We also grant, to persons or entities who we determine, in our sole discretion, meet certain additional qualifications and who are willing to commit, the right to acquire multiple Franchises for the development and operation of Eggs Up Grill Restaurants within a defined area (the "**Development Area**") pursuant to an agreed upon schedule (the "**Development Schedule**").

You and, if you are an Entity (defined below), your owners have requested that we grant you such rights, and we are willing to do so in reliance on all of the information, representations, warranties and acknowledgements you and, if applicable, your owners have provided to us in support of your request, and subject to the terms and conditions set forth in this Agreement.

2. GRANT OF RIGHTS.

We grant you the right, and you undertake the obligation, either yourself or through your approved Affiliates (defined below), to acquire Franchises to develop, own and operate Eggs Up Grill Restaurants (the "**Development Rights**"). In exercising the Development Rights, you agree, at a minimum, to strictly comply with the Development Schedule reflected on Attachment A. The Development Rights may only be exercised for Eggs Up Grill Restaurants to be developed and operated within the Development Area described on Attachment A. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of (1) the date on which the last Eggs Up Grill Restaurant which is required to be opened in order to satisfy the Development Schedule opens for regular business or (2) the last day of the last Development Period (the "**Term**").

This Agreement does not grant you the right to use the Marks or to develop, own or operate an Eggs Up Grill Restaurant. The Development Rights are limited to the rights to acquire Franchises in accordance with and as described in this Agreement. Rights to develop and operate Eggs Up Grill Restaurants or to use the Marks are granted only pursuant to individual Franchise Agreements. You also

acknowledge that we grant rights only pursuant to the expressed provisions of written agreements and not in any other manner, including orally or by implication, innuendo, extension or extrapolation.

3. GRANT OF RIGHTS TO OTHERS; RIGHTS WE RESERVE.

Except as described in this Section 3, and provided you and your Affiliates are in full compliance with this Agreement and all Franchise Agreements and other agreements with us (or any of our affiliates), we will not, during the Term, either own Eggs Up Grill Restaurants located in the Development Area or grant Franchises (or authorize the grant of Franchises) to any other person or entity to own Eggs Up Grill Restaurants to be located in the Development Area. We are not otherwise restricted in any manner from engaging in any business activity whatsoever that is not expressly prohibited by this Agreement, including owning, operating and authorizing others to own and operate Eggs Up Grill Restaurants outside the Development Area in our discretion. We may also do any of the following anywhere in the world, even within the Development Area:

(1) own and operate or authorize others to own and operate restaurants and food service businesses under trademarks that are different from the Marks even if such restaurants offer products and services that are identical or similar to, and/or competitive with, products and services offered by Eggs Up Grill Restaurants;

(2) use the Marks or any other trademarks or commercial symbols to own and operate businesses (other than Eggs Up Grill Restaurants located in the Development Area as described above) and distribution channels (including the internet), regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, even if such businesses sell products and/or services that are identical or similar to, and/or competitive with, those that Eggs Up Grill Restaurants customarily sell;

(3) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and franchise, license or create similar arrangements with respect to such businesses once acquired;

(4) be acquired or become controlled (regardless of the form of transaction) by any other business, including a Competitive Business;

(5) operate or grant any third party the right to operate any Eggs Up Grill Restaurants that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement or any Franchise Agreement; and

(6) operate or grant any third party the right to operate an Eggs Up Grill Restaurant at a site within the Development Area that we have proposed to you, but that you have elected not to accept.

4. BEST EFFORTS/BUSINESS ENTITY.

You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the Development Rights during the Term and throughout the entire Development Area. You may not subcontract or delegate any of your obligations under this Agreement to any third parties.

If you are a corporation, limited liability company, partnership, or another form of business entity (each an "**Entity**"), you agree and represent that: (a) Attachment A lists all of your owners and their

interests as of the Effective Date; (b) each of your direct and indirect owners during the Term will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between us and you, the current form of which is set forth in Attachment B (the "**Guaranty**"), and the non-owner spouse of each guarantor must also sign the Guaranty for the purposes reflected therein; (c) the business that this Agreement contemplates will be the only business you operate (although your owners may have other, non-competitive business interests); and (d) you will designate an individual (the "**Managing Owner**") who we approve and who: (1) must own at least 25% of the ownership interests in you, (2) devote a reasonable amount of his or her time and efforts to the operation, promotion and enhancement of the business under this Agreement, and (3) have the authority to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of this Agreement. We will be entitled to rely solely upon the decision of the Managing Owner in any such dealings without the necessity of any discussions with any other party named in this Agreement. The initial Managing Owner's name is listed on Attachment A, and any replacement Managing Owner must be approved by us. To ensure that they meet our criteria to serve in those roles, we also reserve the right to approve your intention to appoint any of your employees as regional or district managers.

5. MINIMUM LIQUIDITY.

We have granted the Development Rights to you based, in part, on your representations to us, and our assessment of, your levels of liquidity as of the Effective Date. You will ensure that, throughout the Term, you will maintain sufficient liquidity to meet your obligations under this Agreement. We reserve the right to establish and modify specific liquidity thresholds from time to time, and you agree to comply with such minimum liquidity requirements that we reasonably impose.

You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bail-outs for which you qualify and that are made available to small businesses as an economic stimulus.

6. EXERCISE OF DEVELOPMENT RIGHTS.

A. **Proposed Sites**. Regardless of any assistance we provide you, it is your responsibility to search for and propose to us suitable sites with respect to which you desire to acquire a Franchise. You must give us all information and materials we request to assess each site you propose as well as your or your proposed Affiliate's financial and operational ability to fund the development and to operate an Eggs Up Grill Restaurant at the proposed site. We have the absolute right to disapprove any site or any Affiliate (a) that does not meet our criteria or (b) if you or your Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating your or their Eggs Up Grill Restaurant in compliance with the System Standards (as defined in the Franchise Agreement). Once we approve a proposed site, you or your approved Affiliate must sign a separate Franchise Agreement as described in Section 6.B. If you or your approved Affiliate fails to do so within 15 days after we provide you with an execution copy of the Franchise Agreement, we may withdraw our approval. In addition, we reserve the right to propose sites to you within the Development Area for the development of Eggs Up Grill Restaurants contemplated by this Agreement. If we propose a site and you elect not to accept such site for the development of an Eggs Up Grill Restaurant at such site, then we have the right to operate or grant any third party the right to operate an Eggs Up Grill Restaurant at such site.

B. **Execution of Franchise Agreements**. Once we have approved a site, and prior to signing a lease or to otherwise securing possession of the site, you or an approved Affiliate must sign our then-current form of Franchise Agreement and related documents, the terms of which (including with respect to applicable fees) may differ substantially from the terms contained in the Franchise Agreement in effect on the Effective Date. The Franchise Agreement will govern the development and operation of an Eggs Up Grill Restaurant at the approved site identified therein.

C. **Compliance with Development Schedule**. Each period described in the Development Schedule is a "**Development Period**." You must satisfy the obligations described on the Development Schedule during and as of the end of each Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Eggs Up Grill Restaurants specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period. We will count an Eggs Up Grill Restaurant toward the Development Schedule only if it is actually operating in the regular course at its specified location in compliance with the applicable Franchise Agreement.

D. **Failure to Comply with Development Schedule**. If you fail to comply with the Development Schedule as of the end of any Development Period, in addition to terminating this Agreement under Section 11 and asserting any other rights we have as a result of such failure, we may (but need not) elect to revoke our agreement under Section 3 not to grant similar development or franchise rights to others, reduce the size of the Development Area, and re-configure the Development Area, in each case, as we determine.

E. **Business Plan and Status Updates**. Prior to execution of this Agreement, you have provided us with a business plan covering your projected revenues, costs, staffing and operations under this Agreement. This business plan includes your detailed projections of costs for Eggs Up Grill Restaurant development and detailed revenue projections for your activities under this Agreement and the Eggs Up Grill Restaurants to be developed under Franchise Agreements signed pursuant to this Agreement. Within 60 days after the start of each calendar year during the Term, you must update the business plan to cover both actual results for the previous year and projections for the then-current year. While we may review and provide comments on the business plan and any updates you submit to us, we take no responsibility for and make no guarantees or representations, expressed or implied, with respect to your ability to meet the business plan or to achieve the results set forth therein regardless of whether we approve, disapprove, require revisions or provide other comments with respect to the business plan or any updated business plan. You bear the entire responsibility for achievement of the business plan you develop.

F. **Records and Reporting**. You agree to provide us with the following records and reports:

(1) within 30 days after the end of each calendar quarter, you must provide us with a balance sheet and profit and loss statement for you and your Affiliates covering that quarter and the year-to-date;

(2) within 30 days after the end of each calendar year, you must provide us with an annual profit and loss and source and use of funds statements and a balance sheet for you and

your Affiliates covering the previous year, and an updated balance sheet and related financial statements for each person signing the Guaranty; and

(3) such other data, reports, information, financial statements, and supporting records as we request from time to time.

7. **FEES.**

You must pay us, on your execution of this Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable development fee in an amount equal to (1) $25,000 multiplied by (2) the number of Eggs Up Grill Restaurants required to be opened pursuant to the Development Schedule (the "**Development Fee**"). The Development Fee is fully earned by us when you and we sign this Agreement and is nonrefundable. However, we will reduce by $25,000 the amount of the Initial Fees due under each Franchise Agreement which you or your Affiliates execute pursuant to this Agreement, subject to a maximum aggregate reduction for all such Franchise Agreements equal to the total Development Fee.

8. **CONFIDENTIAL INFORMATION; INNOVATIONS.**

A. **Confidential Information.** All information furnished to you by us, whether orally or in writing, including the Franchise Agreements, this Agreement, the System, plans, specifications, financial or business data or projections, all documents, data, information, materials, reports, proposals, procedures, financial information, compensation information, job descriptions, employee biographies, proposed advertising, advertising and marketing plans, operations manuals, formulas, samples, improvements, models, drawings, programs, compilations, devices, methods, designs, techniques and specifications, inventions, know-how, processes, business plans, marketing techniques, customer lists and information, purchasing techniques, supplier lists, supplier information, advertising strategies, operations, our trade secrets, menus, ingredient lists, recipes, or any other forms of business information, whether or not marked as confidential (collectively, the "**Proprietary Information**") is propriety to us, and you agree that: (1) you will hold it in strict confidence; (2) you will not disclose it or reveal or share it with any other person except to your employees or contractors who have a need to know such Proprietary Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities we specifically authorize, in writing, in advance; (3) you will not use it except to the extent necessary to exercise the Development Rights or as permitted under Franchise Agreements, and then only in circumstances of confidence and in accordance with the obligations set forth in the Franchise Agreements; and (4) you will protect the Proprietary Information from unauthorized use, access, or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care.

All Proprietary Information will at all times remain our sole property. You agree to return to us or destroy, at our election, all Proprietary Information in your possession or control and permanently erase all electronic copies of such Proprietary Information promptly upon our request or upon the expiration or termination of this Agreement, whichever comes first. At our request, you will certify in writing signed by one of your officers that you have fully complied with the foregoing obligations.

B. **Innovations.** You agree that, as between us, we or our affiliates own the System and any Proprietary Information, and that your rights to use the System and Proprietary Information, derive solely from this Agreement or from Franchise Agreements executed pursuant to this Agreement. All improvements, developments, derivative works, enhancements, or modifications to the System and any Proprietary Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us or our affiliates. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 8.B, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 8.B with the same legal force and effect as if executed by you.

C. **General**. If you breach any of the provisions of this Section 8, we will be entitled to equitable relief, including in the form of injunctions and orders for specific performance, in addition to all other remedies available at law or equity. The obligations under this Section 8 shall survive any expiration or termination of the Agreement.

9. RESTRICTIVE COVENANTS DURING TERM.

A. **Covenants Against Competition**. We have granted you the Development Rights in consideration of and in reliance upon your agreement to deal exclusively with us. Therefore, during the Term, neither you, your Affiliates nor any of your or their owners or the immediate family members of any of the foregoing will, anywhere in the world:

(1) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating, other than equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

(2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

(4) directly or indirectly, appropriate, use or duplicate the System or any portion thereof, in any business in which such person may have any interest of any kind (whether directly or indirectly) or in which such person is otherwise employed.

The term "**Competitive Business**" means any restaurant, food service or other business (other than an Eggs Up Grill Restaurant operated pursuant to a Franchise Agreement with us): (i) that operates primarily during the breakfast and lunch dayparts, (ii) whose gross receipts from the sale of breakfast items represent, at any time, at least 10% of the business' total gross receipts, (iii) whose menu, concept, business model or method of operation is similar to that employed by restaurant businesses operated, franchised or licensed by us, (iv) that offers or sells goods or services that are generally the same as or similar to the goods or services being offered by businesses owned, operated, franchised or licensed by us, or (v) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing.

B. **Non-Interference**. During the Term, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will:

(a) interfere with the relationships we, our affiliates, or our franchisees have from time to time with vendors, suppliers or consultants; or

(b) engage in any other activity which might injure the goodwill of the Marks and/or the System.

C. **Covenants from Others**. You agree to obtain similar covenants regarding non-competition, non-solicitation, and Confidential Information from your owners, officers, directors, managers, and all employees who attend our training program or have access to Proprietary Information. In no event may you restrict in any such agreements such person's right to become owners of or acquire ownership interests in an Eggs Up Grill Restaurant. You must also require all employees to execute non-disclosure and non-solicitation covenants similar to those set out in this Section 9. You must provide us with copies of all such agreements on our request. We may regulate the forms of agreement that you use and be a third-party beneficiary of the agreement with independent enforcement rights. You may not assume that any such form we provide you is or will be enforceable in a particular jurisdiction. You are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of such forms, but you must secure our approval, prior to use, of any form that contains variations from the form we provide.

10. TRANSFER.

A. **By Us**. We have the right to transfer this Agreement to any affiliate or third-party and, upon such transfer, we will be released from any further liability under this Agreement, and all of our obligations hereunder will thereafter be the obligations of the transferee. We also have the right to delegate to any affiliate or third-party the performance of any of our obligations under this Agreement.

B. **By You**. We have granted you the Development Rights based upon, among other things, the character, background and other qualifications and abilities personal to you or, if applicable, your owners. Accordingly, you agree that this Agreement, ownership interests in you or, any interests in this

Agreement, the Development Rights or all or any part of the business operated under this Agreement will not be sold, assigned, donated or otherwise transferred, including as a result of death (each a "Sale"), to any person or Entity. You further agree that you will not enter into any proposed mortgage, pledge, hypothecation, encumbrance or giving of a security interest in or which affects the Development Rights and your other rights under this Agreement (a "Security Interest").

11. **TERMINATION OF AGREEMENT.**

A. **Events of Termination**. In addition to any other rights we have under this Agreement, we will have the right to terminate this Agreement at any time and without notice upon any of the following events:

(1) you or your Affiliates fail to pay any amount due under this Agreement or any Franchise Agreement when and as it becomes due and payable, and such failure continues for a period of 10 days after written notice from us;

(2) you abandon or threaten to abandon the Development Rights, or take or threaten to take action to liquidate your assets, or if you do not pay any debts or other amounts incurred by you in operating the business hereunder when such debts or amounts are due and payable;

(3) you fail to comply with the Development Schedule and such failure continues for a period of 30 days after written notice from us (subject to your cure right under paragraph (13) below if the failure is the direct result of a Casualty Event);

(4) you make or purport to make a general assignment for the benefit of creditors; or if you hereto institute any proceeding under any statute or otherwise relating to insolvency or bankruptcy, or should any proceeding under any such statute or otherwise be instituted against you; or if a custodian, receiver, manager or any other person with like powers is appointed to take charge of all or any part of the business granted hereunder or of the shares or documents of title owned by any of your owners or title holders; or if you commit or suffer any default under any contract of conditional sale, mortgage or other security instrument in respect of the business being operated hereunder or of the shares or documents of title owned by any of your owners or title holders; or if any of your goods, chattels or assets or of the business are seized or taken in execution or in attachment by a creditor, or if a writ of execution is issued against any of such goods, chattels, or assets; or if a judgment or judgments for the payment of money in amounts in excess of $20,000, is rendered by any court of competent jurisdiction against you;

(5) you fail to furnish reports, financial statements, tax returns or any other documentation required by the provisions of this Agreement and do not correct such failure within 10 days following notice;

(6) if you are an Entity, (i) an order is made or a resolution passed or any proceedings taken towards your winding up or liquidation or dissolution or amalgamation; or (ii) you lose your charter by expiration, forfeiture or otherwise;

(7) you or any of your owners have made any material misrepresentation or omission in your or their application and the documents and other information provided to us to support your or their application to acquire the rights granted in this Agreement;

(8) you or your owners engage in any Sale or grant of a Security Interest in violation of Section 10;

(9) you (or any of your owners) are (a) convicted of or plead guilty or "no-contest" to a felony, (b) convicted of or plead guilty or "no contest" to any crime or other offense likely, in our reasonable determination, to adversely affect the reputation of Eggs Up Grill Restaurants or the goodwill of the Marks, or (c) engage in any conduct which, in our opinion, adversely affects or, if you were to continue as a multi-unit developer under this Agreement, is likely to adversely affect the reputation of the business you conduct pursuant to this Agreement, the reputation and goodwill of Eggs Up Grill Restaurants generally or the goodwill associated with the Marks;

(10) we provide written notice of your (or any of your owners') failure (a) on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, or (b) on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in any case, whether or not you correct the failures after our delivery of notice to you;

(11) you or your Affiliates fail to comply with any provision of any Franchise Agreement and do not cure such failures within the applicable cure period, if any;

(12) you fail to pay any third-party obligations owed in connection with your development business hereunder, and do not correct such failure within any cure periods permitted by the party to whom such obligations are owed; or

(13) you fail to observe, perform or comply with any other of the terms or conditions of this Agreement not listed in items (1) through (12) above, and such failure continues for a period of 15 days after written notice thereof has been given by us to you; provided, however, that if your failure is of your obligation to comply with the Development Schedule, such failure is the direct result of a Casualty Event, and you are using good faith efforts to cure the failure, we will not exercise our rights under this Section 11.A unless you have failed to cure such default within 180 days following written notice thereof. As used in this paragraph, a "**Casualty Event**" is a fire, tornado, hurricane, flood, earthquake or similar natural disaster which is not within your control.

B. **Effects of Termination Or Expiration**. On the expiration or termination of this Agreement for any reason whatsoever, the following provisions apply:

(1) all of your rights under this Agreement will cease, and you are no longer entitled to exercise the Development Rights or hold yourself out to the public as being a developer of Eggs Up Grill Restaurants except as permitted under Franchise Agreements;

(2) you must return all Proprietary Information in your possession or control (except that you may retain and continue to use any Proprietary Information that you are permitted to use under any Franchise Agreements); and

(3) without limiting any other rights or remedies to which we may be entitled, you must pay all amounts owing to us pursuant to this Agreement up to the date of termination.

C. **Covenant Not to Compete / Non-Interference.**

(1) **Non-Competition**. On termination or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 11.C begin to comply with this Section 11.C, whichever is later, neither you nor your Affiliates, nor any of your or their owners (or your or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating:

(a) within the Development Area; and

(b) within a 30-mile radius of any Eggs Up Grill Restaurant in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 11.C begin to comply with this Section 11.C.

(2) **Non-Interference**. You further agree that, beginning on the effective date of termination or expiration, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will divert or attempt to divert any actual or potential business, sites, or customers of any Eggs Up Grill Restaurants to a Competitive Business or interfere with the relationships we, our affiliates, or our franchisees have from time to time with vendors, suppliers or consultants or engage in any other activity which might injure the goodwill of the Marks and/or the System.

(3) **Miscellaneous**. The foregoing restrictions also apply to any seller who purports to engage in a Sale in violation of this Agreement with the time referring to the effective date of the purported Sale rather than the date of expiration or termination of this Agreement. If any person restricted by this Section 11.C refuses voluntarily to comply with these obligations, the 2-year period for that person will commence with the entry of a court order enforcing this provision. You expressly acknowledge that you, your Affiliates, your and their owners and the immediate family members of each possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 11.C will not deprive you or them of any personal goodwill or ability to earn a living. Notwithstanding the termination or other expiration of this Agreement for any reason whatsoever, or any purported Sale, all covenants and agreements to be performed or observed by you will survive any such termination, expiration or Sale.

D. **Our Option to Purchase.**

(1) Upon our termination of this Agreement for any reason other than as a result of the termination of a Franchise Agreement, including without limitation your failure to comply with the Development Schedule, we or our assignee shall have the option, exercisable by giving written notice thereof within 60 days from the date of such termination, to purchase from you or your Affiliates all or any portion of the assets used in your or their Eggs Up Grill Restaurants in the Development Area. As used in this Paragraph, "assets" means and includes leasehold improvements, equipment, computer hardware, furnishings, fixtures, signs, inventory, materials, and supplies and the lease or sublease for the Eggs Up Grill Restaurants. If you, any of your owners or one of your or their Affiliates own the premises of any such Eggs Up Grill Restaurants,

we and you shall (and, if applicable, you or your owners shall cause such Affiliate to) enter into a lease for such premises on reasonable terms and conditions that are commercially reasonable in light of the location and condition of the premises and other relevant circumstances. We shall have the unrestricted right to assign this option to purchase. We or our assignee shall be entitled to all customary warranties and representations given by the seller of a business including representations and warranties as to: (1) ownership, condition and title to assets; (2) liens and encumbrances relating to the assets; and (3) validity of contracts and liabilities inuring to us or affecting the assets, contingent or otherwise.

(2) The purchase price for the assets of each Eggs Up Grill Restaurant that we elect to purchase pursuant to subsection D(1) above shall be the product of the earnings before interest, taxes, depreciation and amortization ("**EBITDA**") of the Eggs Up Grill Restaurant for the trailing 12-month period ending 10 days immediately preceding the closing date, multiplied by two (2); provided, however, that we may reduce the purchase price of any Eggs Up Grill Restaurant by the following: (i) if the restaurant is leased and fewer than two (2) years remain on the current lease, then the purchase price will be discounted by a reasonable amount to be determined by us to account for the short-term lease, and (ii) the cost of any capital improvements necessary to bring the restaurant into conformity with our then-current System standards for new Eggs Up Grill Restaurants. We shall have the right to set off against and reduce the purchase price by any and all amounts owed by you or your Affiliate to us, and the amount of any liabilities assumed by us.

(3) The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than 90 days after receipt by you of notice of exercise of this option to purchase, at which time you shall deliver instruments transferring to us or our assignee: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you; (ii) all licenses and permits of your Eggs Up Grill Restaurants which may be assigned or transferred; and (iii) the leases or subleases for the premises of those Eggs Up Grill Restaurants. If you cannot deliver clear title to all of the purchased assets as aforesaid, or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow. Further, you and we shall, prior to closing, comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the states in which the Eggs Up Grill Restaurants are located and the bulk sales provisions of any applicable tax laws and regulations. You shall, prior to or simultaneously with the closing of the purchase, pay all tax liabilities incurred in connection with the operation of your Eggs Up Grill Restaurants.

(4) If we or our assignee exercise this option to purchase, pending the closing of such purchase as hereinabove provided, we shall have the right to appoint a manager to maintain the operation of your Eggs Up Grill Restaurants. If we choose not to exercise this right, you shall continue to operate those restaurants on the terms of this Agreement and the applicable Franchise Agreement with us until the closing of the purchase. Alternatively, we may require you to close your Eggs Up Grill Restaurants during such time period without removing any assets from them. You shall maintain in force all insurance policies required pursuant to the applicable Franchise Agreement(s) with us, through the date of closing. If the premises of your Eggs Up Grill Restaurants are leased, we agree to use reasonable efforts to effect a termination of the existing

lease(s) for the premises and enter into new lease(s) on reasonable terms with the landlord. In the event we are unable to enter into new leases for your Eggs Up Grill Restaurants and your rights under the lease for the premises are assigned to us or we sublease the premises from you, we will indemnify and hold you harmless from any ongoing liability under the lease from the date we assume possession of the premises.

12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. **Independent Contractors**. Each of us is an independent contractor, and neither is considered to be the agent, representative, master or servant of the other for any purpose. Neither of us has any authority to enter into any contract, to assume any obligations or to give any warranties or representations on behalf of the other. Nothing in this Agreement may be construed to create a relationship of partners, joint venturers, fiduciaries, agency or any other similar relationship between us and you.

B. **Indemnification**. You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective current and former owners, managers, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of (i) the operation of the business you conduct under this Agreement; (ii) your breach of this Agreement, including those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction; (iii) your employment practices or that are instituted by your employees and other personnel; and (iv) any other activities occurring at the Eggs Up Grill Restaurants developed under the Development Schedule. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section 12.B. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 12.B.

13. ENFORCEMENT; ARBITRATION.

A. **Arbitration**. We and you agree that all controversies, disputes, or claims between us or any of our Affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); our relationship with you; or the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section

13.A, which we and you acknowledge is to be determined by an arbitrator, not a court), must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, Spartanburg, South Carolina). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party and may be enforced in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our Affiliates, or our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, Affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and

persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories.

The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

B. **Applicable Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement or any related agreement, the franchise and all claims arising from the relationship between us (or any of our Affiliates, and our and their respective owners, officers, directors, agents, representatives, and employees) and you (or any of your owners, guarantors, Affiliates, and employees) will be governed by the laws of the State of South Carolina, without regard to its conflict of laws rules, except that (1) any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which each of your Restaurants is located.

C. **Consent to Jurisdiction.** Subject to the obligation to arbitrate under Section 13.A above and the provisions below, you and your owners agree that all actions arising under this Agreement or any related agreements, or otherwise as a result of the relationship between you (or any of your owners, guarantors, Affiliates, and employees) and us (or any of our Affiliates, and our and their respective owners, officers, directors, agents, representatives, and employees) must be commenced in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently Spartanburg, South Carolina), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

D. **Waiver of Punitive Damages, Jury Trial and Class Actions.** Except for your obligation to indemnify us for third party claims under Section 12.B, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action or proceeding, brought by either of us.

E. **Injunctive Relief.** Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such

further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

F. **Limitation of Claims.** You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced in accordance with this Agreement within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, owners, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

We and you agree that any proceeding will be conducted on an individual basis and that any proceeding between us and any of our affiliates, or our and their respective owners, officers, directors, agents and employees, on the one hand, and you or your owners, guarantors, affiliates and employees, on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on your behalf by and association or agent.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

G. **Attorneys' Fees and Costs.** The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees incurred by the prevailing party in connection with such proceeding.

14. MISCELLANEOUS.

A. **Notices.** All notices, consents, approvals, statements, documents or other communications required or permitted to be given hereunder must be in writing, and must be delivered (i) personally or (ii) mailed by registered mail, postage prepaid, or (iii) sent by reputable overnight courier (such as Federal Express or UPS), to the said parties at their respective addresses set forth in the opening paragraph or signature block of this Agreement, as applicable, to the attention of the person indicated below:

If to us: Attention: Legal Department

If to you: Attention: _____

or at any such other address or addresses as the party to whom such notice, consent approval, statement, documentation or other communication is to be given, may designate by notice in writing so given to the other parties hereto as provided hereinbefore. If any one of the said parties is comprised of more than one person or Entity, any notice, consent, approval, statement, document or other communication may be given by or to any one thereof, and it will have the same force and effect as if given by or to all thereof. Any notices, consents, approvals, statements, documents or other communications, (i) if delivered personally, will be deemed to have been given on the day of delivery, (ii) if mailed will be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or (iii) if sent via overnight courier when received or refused.

B. **Joint and Several Obligation.** If either you are comprised of more than one individual or Entity, the obligations of each such individual and Entity under this Agreement will be joint and several.

C. **Severability.** If any term or condition of this Agreement is, to any extent, declared to be invalid or unenforceable, all other terms and conditions of this Agreement, other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term and condition of this Agreement will be separately valid and enforceable to the fullest extent permitted by law.

D. **Headings; Construction.** Headings preceding the text, sections and subsections hereof have been inserted solely for convenience of reference and will not be construed to affect the meaning, construction or effect of this Agreement. The term "including" means "including, without limitation" unless otherwise noted. The term "**control**" means the right and power to direct or cause the direction of an entity's management and policies. An "**Affiliate**" is an Entity in which you or your owners (i) own more than 51% of the issued and outstanding ownership interest and voting rights or (ii) have the right and power to control and determine the Entity's management and policies. References to "**owner**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or the Development Rights and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

E. **Waiver.** The waiver by either you or us of a breach of any term or condition contained in this Agreement will not be deemed to be a waiver of such term or condition or any subsequent breach of the same or any other term or condition herein contained unless such waiver is expressly set forth in writing. A party's failure to exercise any right to demand exact compliance and any custom or practice at variance with the terms and conditions of this Agreement will not constitute a waiver of the right to demand exact compliance with the terms and conditions hereof. Our subsequent acceptance of any amount payable hereunder, will not be deemed to be a waiver of any preceding breach of any term or condition of this Agreement, other than the failure to pay the particular amount so accepted, regardless of our knowledge of such preceding breach at the time of acceptance of such amount.

F. **Further Assurances.** You and we agree to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise our vote and influence and do and perform and cause

to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

G. **Entire Agreement.** This Agreement and all schedules attached hereto constitute the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties, agreements and undertakings made prior hereto are hereby merged. Other than the representations in the franchise disclosure document you received from us, there are no other inducements, representations, warranties, agreements, undertakings, or promises, (oral or otherwise) among you and us relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this Agreement or any schedules will be binding upon the parties hereto unless reduced to writing and signed by us and you or our and your respective heirs, executors, administrators, successors or assigns. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in Indiana, Illinois, Maryland, Michigan, New York, Virginia, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

H. **Binding Agreement.** This Agreement will inure to the benefit of and be binding upon us and our successors and assigns and will be binding upon you and your heirs, executors, administrators, successors and authorized assigns.

I. **Counterparts.** This Agreement may be executed in multiple copies, each of which will be deemed an original. Signatures transmitted via facsimile or scanned and emailed shall have the same force and effect as originals.

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

EUG FRANCHISING, LLC, a
Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

AREA DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Dated:_____

Notice Address: _____
_____

ATTACHMENT A
TO AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AREA; DEVELOPMENT SCHEDULE AND OWNERSHIP

1. The **Development Area** is comprised of: _____ _____, as depicted on the map attached hereto. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

2. The **Development Schedule** is as follows:

Development Period	Number of Sites Approved During Development Period	Number of New Restaurants Opened During Development Period	Minimum (Cumulative) Number of Restaurants Open and Operating at End of Development Period

3. You were incorporated or formed on _____, 20__, under the laws of the State of _____. The following identifies the owner that you have designated as, and that we approve to be, the Managing Owner and lists the full name of each person who is one of your owners and fully describes the nature of each owner's interest.

Owner's Name		Type and Percentage of Interest	
Managing Owner:	_____	_____	___%
Other Owners:	_____	_____	___%
	_____	_____	___%

EUG FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
Date: _____

AREA DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

MAP OF DEVELOPMENT AREA

ATTACHMENT B

TO AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20__, by the persons indicated below who have executed this Agreement.

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement (the "**Agreement**") on this date by EUG Franchising, LLC, a Delaware limited liability company ("**we**," "**us**," or "**our**"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("**Developer**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) upon our request, he or she must submit to us suitable credit and financial information to allow us to make a reasonable decision as to the undersigned's creditworthiness and financial position including, without limitation, a personal net worth statement and such other information which would reasonably be considered relevant to us in determining whether or not the undersigned has the ability to satisfy his or her obligations under this Guaranty.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the

undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Developer (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such undersigned (or on such undersigned's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned acknowledges and represents that he or she has had an opportunity to review the Agreement and agrees that the provisions of Article 13 (Enforcement; Arbitration) have been reviewed by the undersigned and are incorporated, by reference, into and shall govern this Guaranty and Assumption of Obligations and any disputes between the undersigned and us. Nonetheless, each of the undersigned agrees that we may also enforce this Guaranty and Assumption of Obligations and awards in the courts of the state or states in which he or she is domiciled.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing that merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property).

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	**SPOUSE(S)**
Name: _____ Sign: _____ Address: _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ Email: _____
Name: _____ Sign: _____ Address: _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ Email: _____

EXHIBIT D

LIST OF FRANCHISEES

Franchisees as of December 31, 2025

Name	Address	City	State	ZIP	Phone
CRACKLE LLC	22031 US Highway 72E	Athens	AL	35613	(256) 262-9070
RK Fields EUG, LLC	1307 Four Mile Post Road	Huntsville	AL	25802	(256) 716-9118
Sunnyside, Inc.	300 Hughes Road	Madison	AL	35758	(256) 325-5777
Yolks R Us LLC	504 S. Hunt Club Blvd	Apopka	FL	32703	(689) 229-9483
JCAC Enterprise LLC	1500 McMullen Booth Road	Clearwater	FL	33579	(727) 625-4415
SCR Brands, LLC*	4100 N. Wickham Road	Melbourne	FL	32935	(321) 775-3153
EUGHB HARRDY, LLC	4414 Southwest College Road	Ocala	FL	34474	(352) 421-9596
Reach Forward LLC	11020 Daryl Carter Parkway	Orlando	FL	32836	(689) 323-3843
Food, Hospitality, and Procurement of Tampa Bay, LLC	3920 US Highway 301	Riverview	FL	33578	(813) 800-3447
EU Orlando LLC	17350 W. Colonial Drive	Winter Garden	FL	34787	(407) 347-9140
Big Red's Eggs LLC	2818 Old Dawson Road	Albany	GA	31707	(229) 496-1507
Vista Egg #3, LLC	5665 Atlanta Highway	Alpharetta	GA	30260	(470) 866-3447
Anchored Restaurant Group Inc.	270 Rucker Road	Alpharetta	GA	30004	(678) 878-2251
Atlanta West EUG LLC	1355 East-West Connector	Austell	GA	30106	(770) 693-7888
Vista Egg #1, LLC	104 Prominence Point Parkway	Canton	GA	30114	(678) 990-3447
EUG ARCS Developments LLC	10166 Dallas Acworth Highway	Dallas	GA	30132	(470) 308-4056
Legacy Ties LLC	1200 Town Park Lane	Evans	GA	30809	(706) 305-3894
Jay Jalabapa Breakfast and Brunch LLC	1887 Jonesboro Road, Suite C 1-3	McDonough	GA	30253	(470) 278-1161
EUG Atlanta LLC	1990 Mt. Zion Road	Morrow	GA	30260	(470) 278-2917
Vista Egg #2, LLC	1467 Turner McCall Blvd	Rome	GA	30165	(762) 900-3447
EUG Alpha 2 LLC	4401 Shallowford Road	Roswell	GA	30075	(770) 559-9057
EGGS 49, LLC	5710 Ogeechee Road	Savannah	GA	31405	(912) 349-6672
Raisin A Toast, LLC	137 Tormenta Way	Statesboro	GA	30458	(912) 259-9095
EULC, LLC*	4058 Ryan Street	Lake Charles	LA	70605	(337) 476-2111

Name	Address	City	State	ZIP	Phone
JHFS, Inc.	2815 North Hill Street	Meridian	MS	39305	(601) 693-3356
Greenwave Investment Group, LLC*	5142 Goodman Road, Suite 101	Olive Branch	MS	38654	(662) 228-8220
K & C Eggs, LLC	1419 Kelly Road	Apex	NC	27502	(919) 267-4445
MCD, LLC	12965 US 70 Hwy Bus	Clayton	NC	27520	(984) 213-4473
Crave Foods, LLC	19372 One Norman Blvd	Cornelius	NC	28031	(980) 283-0020
RS Johnson Enterprises, Inc.	1436 North Main Street	Fuquay Varina	NC	27526	(919) 285-4463
Third Egg Inc.	2700 Timber Drive	Garner	NC	27529	(919) 364-8560
CAROLINAEUG LLC	2609 S. New Hope Road	Gastonia	NC	28056	(980) 320-1755
MCD2, LLC	1901 E. Fire Tower Road	Greenville	NC	27858	(252) 632-6757
Quezada Family Holdings LLC	36 Station Way, Unit A	Hampstead	NC	28443	(910) 406-1010
Fortified EUG Hendersonville, Inc.	637 Spartanburg Highway	Hendersonville	NC	28792	(828) 560-3447
Arya Restaurant Group, LLC	4216 Lassiter Road	Holly Springs	NC	27540	(919) 495-4530
Eggcellent Breakfast EUG, LLC*	2951 Town Center Drive	Hope Mills	NC	28348	(910) 500-3447
EUG THE FIVE LLC	2547 Gum Branch Road	Jacksonville	NC	28540	(910) 238-4794
BOC Restaurants LLP	3556 Leland Town Center Drive	Leland	NC	28451	(910) 834-2111
EGGS 118, LLC*	5124 Old Charlotte Highway, Suite 5124 C	Monroe	NC	28110	(707) 218-2731
Arya Restaurant Group, LLC*	6820 Davis Circle	Raleigh	NC	27613	(919) 787-3939
Arya Restaurant Group, LLC*	10501 Shadowlawn Drive	Raleigh	NC	27614	(919) 900-8002
PaK Investments, LLC	110 Shallotte Crossing Parkway	Shallotte	NC	28470	(910) 363-8888
PADBROS LLP	5009 Southport Crossing Way	Southport	NC	28461	(910) 363-8888
EUG Holdings I, LLC	5932-110 Carolina Beach Road	Wilmington	NC	28412	(910) 398-8888
No Spring Chickens, LLC	1965 N. Peacehaven Road	Winston Salem	NC	27106	(336) 283-9251
Eggs 7, LLC	16010 East Greenville Street	Anderson	SC	29621	(864) 760-0528
Eggs of the Low Country, LLC*	349 Hope Pond Way	Bluffton	SC	29910	(843) 836-3447

Name	Address	City	State	ZIP	Phone
Seek Restaurant 4 LLC	407 Village Creek Drive	Boiling Springs	SC	29316	(864) 308-1919
Equal Yolk 2 LLC	2209 W. Dekalb Street	Camden	SC	29020	(803) 272-0678
Eggs Over West Ashley, LLC	3875 West Ashley Circle	Charleston	SC	29414	(843) 212-5255
Blue Ridge Restaurant Group, LLC*	101 Canoy Lane	Clemson	SC	29631	(864) 788-1001
Equal Yolk 4 LLC	2930 Devine Street	Columbia	SC	29205	(803) 661-9174
Equal Yolk 6 LLC	4711 Forest Drive	Columbia	SC	29206	(803) 820-0742
Equal Yolk, LLC	961 Roberts Branch Parkway	Columbia	SC	29203	(803) 626-1695
Beach Boys Breakfast IV, LLC	2246 Highway 501	Conway	SC	29526	(843) 349-4748
Sunrise Restaurants, LLC	2676 Church Street	Conway	SC	29526	(843) 438-8224
Carolina Business Group, LLC	250 N. Beltline Drive	Florence	SC	29501	(843) 480-0816
Equal Yolk 7 LLC	516 Mercantile Place	Fort Mill	SC	29715	(803) 802-3447
Beach Boys Breakfast II, LLC	2520 Highway 17 North	Garden City	SC	39576	(843) 299-0109
Eggs Ate, LLC	1939 Woodruff Road	Greenville	SC	29601	(864) 509-6625
Eggs 36, LLC	3955 Pelham Road	Greenville	SC	29615	(864) 558-0396
JARS Restaurant Group, Inc.	225 South Pleasantburg Drive	Greenville	SC	29601	(864) 362-8847
EGGS 10 LLC	31 Augusta Street	Greenville	SC	29601	(864) 520-2005
Blue Ridge Restaurant Group, LLC *	155 Hampton Avenue	Greenwood	SC	29646	(864) 854-9750
Seek Restaurant 2 LLC	805 West Wade Hampton Blvd	Greer	SC	29650	(864) 479-0566
Scrambled Dreams, Inc.	1180 Dutch Fork Road	Irmo	SC	29063	(803) 708-3447
Eggs Over Charleston LLC	3679 Ladson Road	Ladson	SC	29456	(843) 471-1001
Fortified EUG Laurens, LLC	112 Fleming Street	Laurens	SC	29360	(864) 715-0011
Equal Yolk 5 LLC	205 Columbia Avenue	Lexington	SC	29072	(803) 490-2028
Eggs 101, LLC	439 North Main Street	Mauldin	SC	29662	(864) 236-5936
Seek Restaurant 3 LLC	5844 Reidville Road	Moore	SC	29369	(864) 485-3091
EUP 43, LLC	11891 Highway 707	Murrells Inlet	SC	29576	(843) 299-1962
Beach Boys Breakfast I, LLC	1289 38th Ave. N	Myrtle Beach	SC	29577	(843) 839-2200

Name	Address	City	State	ZIP	Phone
EUP 24, LLC	3630 Walton Drive	Myrtle Beach	SC	29577	(843) 839-1810
EUP 63, LLC	4206 River Oaks Drive	Myrtle Beach	SC	29579	(843) 796-9012
Beach Boys Breakfast III, LLC	732 Main Street	North Myrtle Beach	SC	29582	(843) 273-4077
Sunrise Restaurants II LLC	115 Willbrook Blvd	Pawleys Island	SC	29585	(843) 237-7313
Eggs 34 LLC	10919 Anderson Road	Piedmont	SC	29673	(864) 203-5422
Equal Yolk 3 LLC	2732 Celanese Road	Rock Hill	SC	29732	(803) 327-3447
Blue Ridge Restaurant Group LLC*	237 Applewood Center Place	Seneca	SC	29678	(864) 973-6657
Eggs 47 LLC	301 N. Main Street	Simpsonville	SC	29681	(864) 399-6936
Eggs Over Summerville, LLC	1718 State Road	Summerville	SC	29486	(843) 761-4542
Eggs Over Knightsville, LLC	1585 Central Avenue	Summerville	SC	29483	(834) 628-0476
Carolina Business Group, LLC	105 E. Wesmark Blvd	Sumter	SC	29150	(803) 757-1149
JKLL GROUP, LLC	970 Tiny Town Road, Suite A-B	Clarksville	TN	37042	(931) 919-4837
Curtis Cordero Group LLC	285 Paul Huff Parkway	Cleveland	TN	37312	(423) 458-1116
Greenwave Investment Group, LLC*	9155 Poplar Avenue	Germantown	TN	38138	(901) 417-7171
LJCOOKS HERMITAGE LLC*	4606 Lebanon Pike	Hermitage	TN	37076	(615) 606-3447
Bates Family Restaurants, LLC*	2011 N. Roan Street	Johnson City	TN	37601	(423) 282-3447
Bates Family Restaurants, LLC*	2003 North Eastman Road, Suite 210	Kingsport	TN	37660	(423) 765-0030
LJCOOKS MURFREESBORO LLC	5241 Veterans Parkway	Murfreesboro	TN	67128	(615) 728-3447
MO'CRACKED LLC*	9021 Goodnight Ranch Blvd, Unit 2100	Austin	TX	78747	(512) 300-0503
Mabsoot23, LLC*	202 Walton Way, Suite 142	Cedar Park	TX	78613	(512) 337-7168
EUG Over Texas LLC*	2816 Interstate 45 N.	Conroe	TX	77303	(936) 256-1116
Alliance Food Group, LLC	34727 Trinity Mills Road	Dallas	TX	75287	(469) 900-3355
K&T Investment Group Inc.	1342-1 South Main Street	Blacksburg	VA	24060	(540) 739-3067

Name	Address	City	State	ZIP	Phone
Bates Family Restaurants, LLC*	180 Stateline Centre	Bristol	VA	24201	(276) 285-2088
Bottony LLC*	2170 Coliseum Drive, Suite 10	Hampton	VA	23666	(757) 994-8902
RANQS Franchise #1 LLC*	6593 Mechanicsville Turnpike	Mechanicsville	VA	23111	(804) 789-1462
EUG at Hull, LLC	12014 Southshore Pointe Drive	Midlothian	VA	23112	(804) 818-5132
Norfolk Breakfast, Inc.	738 W. 22nd Street	Norfolk	VA	23517	(757) 296-0600
EUG in Midlothian, LLC	2003 W. Huguenot Road	Richmond	VA	23235	(804) 525-6559
EUG at John Rolfe, LLC	2238 John Rolfe Parkway	Richmond	VA	23233	(804) 447-9725

* indicates signed pursuant to a Development Agreement with remaining development obligations

FRANCHISEES WITH FRANCHISE AGREEMENTS SIGNED BUT RESTAURANT NOT YET OPEN AS OF DECEMBER 31, 2025

Franchisee	Restaurant Address	City	State	ZIP	Phone or Email
SVT BRANDS, LLC*	TBD	New Castle	DE	TBD	sivajirao@gmail.com
SCR Cocoa Beach, LLC	2023 N. Atlantic Avenue	Cocoa Beach	FL	32931	chris@scrbrands.com
DJM-EGGLICIOUS LLC	TBD	Lakeland	FL	TBD	Dmangroo05@gmail.com
SCR IRTC, LLC*	TBD	Port St. Lucie	FL	TBD	(321) 775-3153
EUG MIDDLE GA, LLC*	770 Highway 96, Suite 200 & 205	Bonaire	GA	31005	celiastlouis@yahoo.com
JODA ENTERPRISES LLC*	TBD	Conyers	GA	TBD	jodaenterprises@gmail.com
Atlanta West EUG LLC*	TBD	Douglasville	GA	TBD	(770) 693-7888
Tres Dreams EUG Inc*	12524 NC Highway 210, Suite 101	Benson	NC	27504	Tres.dreams3@yahoo.com
Eggcellent Breakfast 2 EUG LLC*	TBD	Calabash	NC	TBD	Poolerobbie22@gmail.com
Fortified EUG Fletcher LLC	4055 Hendersonville Road	Fletcher	NC	28732	(828) 560-3447
K&S RESTAURANTS LLC	TBD	Hickory	NC	TBD	(980) 320-1755
EUG New Bern LLC	TBD	New Bern	NC	TBD	Joseph.a.benton31@gmail.com
Cereal Killerz LLP	TBD	Wilmington	NC	TBD	bpadillalxxv@gmail.com
HSBEGGS LLC	TBD	Charleston	SC	TBD	harrysburke@att.net
Blue Ridge Restaurant Group LLC*	504 W. Main Street, Suite C	Easley	SC	29640	darbys@brrg.net
Eggs Over GC LLC	98 S. Goose Creek Blvd.	Goose Creek	SC	29445	marc@eugcharleston.com

Franchisee	Restaurant Address	City	State	ZIP	Phone or Email
	Suite 3104				
EGGS 128, LLC*	3203 N. Pleasantburg Drive	Greenville	SC	29609	Conley.eug@gmail.com
Eggs Over MTP LLC	608-A Long Point Road, Unit A	Mount Pleasant	SC	29464	marc@eugcharleston.com
EUP130, LLC	TBD	Myrtle Beach	SC	TBD	Drau76@gmail.com
Equal Yolk 8, LLC	10508 Two Notch Road, Suite 5E	Elgin	SC	29045	gripper@equalyolk.com
RISE AND DINE, LLC*	292 Frantz Road, Suite A105	Stroudsburg	TN	18360	jeffm@metzcorp.com
Bates Family Restaurants*	TBD	Knoxville	TN	TBD	ken@batesfamilyrest.com
Bates Family Restaurants*	TBD	Morristown	TN	TBD	ken@batesfamilyrest.com
BUNNO CORP. *	TBD	Cypress	TX	TBD	lou@bunnocorp.com
RMK HOLDINGS INC.*	TBD	Falls Church	VA	TBD	Hanjra0735@gmail.com
RANQS Franchise LLC*	TBD	Fredericksburg	VA	TBD	Sjessanie786@gmail.com
K & T Investment Group Inc.	TBD	Roanoke	VA	TBD	Ktinvestgroup@gmail.com

* indicates signed pursuant to a Development Agreement with remaining development obligations

EXHIBIT E

FRANCHISEES WHO LEFT THE SYSTEM DURING OUR LAST FISCAL YEAR AND FRANCHISEES WHO HAVE NOT COMMUNICATED WITH US WITHIN TEN WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

FRANCHISEES WHO LEFT THE SYSTEM DURING OUR LAST FISCAL YEAR AND FRANCHISEES WHO HAVE NOT COMMUNICATED WITH US WITHIN TEN WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

Former Franchisee	City	State	Last Known Phone No. or Email	Reason
A Good Egg Restaurants, LLC	Fort Myers	FL	David.moret@agerestaurants.com	Terminated prior to opening
SR Johnson Enterprises, Inc.	Holly Springs	NC	919-455-8936	Transfer
BELLE RESTAURANT MANAGEMENT GROUP LLC	Powell	OH	Paulbelle1947@gmail.com	Terminated prior to opening
EGGUSTA ST LLC	Greenville	SC	zac@timeforcandor.com	Transfer

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT F

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS

EUG FRANCHISING, LLC
Statement of Operations
YTD as of March 31, 2026

Revenues:		
Royalties and advertising fees	$	2,133,670
Franchise fees		168,720
Other		92,044
Total revenues		2,394,434
Operating expenses:		
Salaries and benefits		858,215
Occupancy		2,940
Marketing and advertising		402,926
General and administrative		258,767
Depreciation and amortization		-
Total operating expenses		1,522,847
Operating Income		871,586
Other income:		
Other income		7,468
Interest income		8,059
Total other income		15,526
Net income	$	887,113

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

EUG FRANCHISING, LLC
Balance Sheet
March 31, 2026

ASSETS		
Current Assets:		
Cash and cash equivalents	$	1,802,367
Accounts receivable		361,118
Prepaid expenses and other current assets		89,721
Total current assets		2,253,206
Due from member and affiliated entities		3,346,485
Total assets	$	5,599,691
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accounts payable	$	54,503
Accrued liabilities		347,167
Deferred revenue, current portion		878,250
Due to affiliated entities		516,690
Total current liabilities		1,796,610
Deferred revenue, net of current portion		1,483,232
Total liabilities		3,279,843
Commitments		
Member's Equity		2,319,848
Total liabilities and member's equity	$	5,599,691

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

AUDITED FINANCIAL STATEMENTS

EUG FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

EUG FRANCHISING, LLC

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December 31, 2025 and 2024

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Frazier & Deeter, LLC
1230 Peachtree Street NE, Suite 1500
Atlanta, Georgia 30309
404.253.7500 | frazierdeeter.com

INDEPENDENT AUDITOR'S REPORT

To the Member
EUG Franchising, LLC

Opinion

We have audited the financial statements of EUG Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EUG Franchising, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have 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 these 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 GAAS 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 GAAS, 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 the Company'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 the Company'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.

March 30, 2026

Frazier & Deeter, LLC

EUG FRANCHISING, LLC

Balance Sheets

	December 31, 2025	December 31, 2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,848,838	$ 1,178,514
Accounts receivable	487,347	359,614
Prepaid expenses and other current assets	477,776	482,521
Total current assets	2,813,961	2,020,649
Due from member and affiliated entities	2,412,100	2,476,906
Total Assets	$ 5,226,061	$ 4,497,555
Liabilities and Member's Equity		
Current Liabilities:		
Accounts payable	$ 82,500	$ 36,609
Accrued liabilities	776,497	553,820
Deferred revenue, current portion	878,250	983,000
Due to affiliated entities	449,126	379,649
Total current liabilities	2,186,373	1,953,078
Deferred revenue, net of current portion	1,606,952	1,474,332
Total liabilities	3,793,325	3,427,410
Commitments		
Member's equity	1,432,736	1,070,145
Total Liabilities and Member's Equity	$ 5,226,061	$ 4,497,555

See notes to financial statements.

EUG FRANCHISING, LLC

Statements of Operations

	For the Year Ended December 31,	
	2025	*2024*
Revenues:		
Royalties and advertising fees	$ 8,016,535	$ 5,530,057
Franchise fees	1,033,380	1,088,880
Other	626,622	539,476
Total revenues	9,676,537	7,158,413
Operating expenses:		
Salaries and benefits	3,930,933	3,044,454
Occupancy	101,373	98,401
Marketing and advertising	1,379,280	524,649
General and administrative	1,139,246	850,865
Depreciation and amortization	-	260
Total operating expenses	6,550,832	4,518,629
Operating income	3,125,705	2,639,784
Other income:		
Other income	4,097	5,192
Interest income	32,789	50,714
Total other income	36,886	55,906
Net income	$ 3,162,591	$ 2,695,690

See notes to financial statements.

EUG FRANCHISING, LLC

Statements of Member's Equity

For the Years Ended December 31, 2025 and 2024

Balance, December 31, 2023	$ 1,274,455
Equity distribution to member	(2,900,000)
Net income	2,695,690
Balance, December 31, 2024	1,070,145
Equity distribution to member	(2,800,000)
Net income	3,162,591
Balance, December 31, 2025	$ 1,432,736

See notes to financial statements.

EUG FRANCHISING, LLC

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents	*For the Year Ended December 31,*	
	2025	*2024*
Cash flows from operating activities:		
Net income	$ 3,162,591	$ 2,695,690
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	-	260
Changes in assets and liabilities:		
Accounts receivable	(127,733)	(90,297)
Prepaid expenses and other current assets	4,745	(167,291)
Accounts payable	45,891	7,027
Accrued liabilities	222,677	144,319
Deferred revenue	27,870	(311,879)
Net cash provided by operating activities	3,336,041	2,277,829
Cash flows from financing activities:		
Due from member and affiliated entities, net	(2,665,717)	(2,805,128)
Net cash used in financing activities	(2,665,717)	(2,805,128)
Net increase (decrease) in cash and cash equivalents	670,324	(527,299)
Cash and cash equivalents, beginning of year	1,178,514	1,705,813
Cash and cash equivalents, end of year	$ 1,848,838	$ 1,178,514
Supplemental Disclosure of Noncash Investing and Financing Transactions:		
Equity distribution to member to offset due from member	$ 2,800,000	$ 2,900,000

See notes to financial statements.

Note 1 - Description of business and summary of significant accounting policies:

EUG Franchising, LLC (the Company) was organized under the laws of the State of Delaware on February 21, 2018. The Company's primary purpose is to grant franchises for the establishment, development, and operation of full-service restaurants that offer breakfast, brunch, and lunch under the name "Eggs Up Grill." The Company is a wholly-owned subsidiary of EUG Holdco, LLC (EUG Holdco or the Member).

During 2019, an affiliate company, EUG Opco TC1, LLC (EUG OpCo), opened its sole Eggs Up Grill restaurant in Spartanburg, South Carolina.

At December 31, 2025 and 2024, there were 104 and 86 franchised restaurants, respectively, open and operating under the Eggs Up Grill name in multiple southeastern states.

Basis of accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Common control

The Company and affiliated companies are under the common control of the owners of the Member. The existence of that control could result in operating results or a financial position of the Company significantly different from that which would have been obtained if the entities were autonomous.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Franchise operations

The Company enters into franchise agreements with unrelated third parties to build and operate restaurants using the Company's brand within a defined geographical area. The franchisees are required to operate their restaurants in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company will not provide loans, leases, or guarantees to franchisees or their

Note 1 - Description of business and summary of significant accounting policies - continued:

Franchise operations - continued

employees and vendors. If a franchisee becomes financially distressed, the Company generally will not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company will have the right, but not the obligation, to acquire the assets of the franchisee at cost or fair value, as determined by an independent appraiser. At December 31, 2025 and 2024, there were 132 and 114 executed franchise agreements, respectively.

Revenue recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. Revenues consist primarily of royalties, advertising fund contributions, initial and renewal franchise fees, and upfront fees from development agreements. These performance obligations under franchise agreements consist of: (a) a franchise license, (b) preopening services, such as training and site selection consultation, and (c) ongoing services, such as management of the advertising fund contributions, development of training materials and menu items, and restaurant monitoring. In January 2021, the Company adopted ASU 2021-02, Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. The practical expedient allows private companies to recognize initial franchise fees when all material services or conditions relating to the sale of the franchise have been substantially performed or satisfied by the Company, which is generally when a new franchise restaurant is opened. Deferred franchise fees at December 31, 2025 and 2024, represent fees billed or collected from franchisees related to unopened restaurants.

Initial restaurant and renewal fees are payable by the franchisee upon execution of the franchise agreement. If a multi-unit development agreement is signed, the fee for the first restaurant and partial payments for the other locations are collected upon execution of the agreement. Additional fees are collected when each subsequent location is finalized. All fees are initially recorded to deferred revenue and recognized at the restaurant's opening. Renewal fees are recognized when the new franchise agreement is effective. If a restaurant is not opened within its contractual timeframe, the related fees may be forfeited and recognized at that time.

Note 1 - Description of business and summary of significant accounting policies - continued:

Revenue recognition - continued

The performance obligation under development agreements generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are initially recorded to deferred revenue and are then apportioned to each franchise agreement execution and accounted for as an initial franchise fee at that time.

Franchisee royalties, including franchisee contributions to the advertising fund, are calculated as a percentage of franchise restaurant net sales. During 2025 and 2024, royalties ranged from 4% to 5% and advertising contributions ranged from 1.00% to 1.60%, over the term of the franchise agreement. Franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised restaurant sales occur. Royalties totaled $5,979,440 and $4,534,265 during 2025 and 2024, respectively, which are included in royalties and advertising fees in the accompanying statements of operations. Advertising fund contributions totaled $2,037,095 and $995,792 during 2025 and 2024, respectively, which are included in royalties and advertising fees in the accompanying statements of operations and related expenses are recorded as the obligations are incurred, upon receipt of the contribution. At December 31, 2025 and 2024, the advertising fund had net assets of $1,085 and $56,610, respectively, which is included in prepaid expenses and other current assets in the accompanying balance sheets.

The Company receives incentive payments from certain suppliers, the amounts of which depend upon the system's volume of purchases from the suppliers. The Company recognizes revenue for these incentives in the period in which the underlying transaction takes place or the point in which the incentive due is determinable. The incentives are included within other revenues in the accompanying statements of operations. As of December 31, 2025 and 2024, the Company had vendor rebates receivable of $66,000 and $50,470, respectively, which are included in accounts receivable in the accompanying balance sheets.

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash and cash equivalents.

Note 1 - Description of business and summary of significant accounting policies - continued:

Accounts receivable

Accounts receivable is primarily comprised of royalty and advertising fees not received by the Company at December 31, 2025 and 2024. The Company considers the accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was provided. As of January 1, 2024, the accounts receivable balance was $325,926.

Advertising

The Company expenses all advertising costs as incurred. Advertising costs, exclusive of amounts expended by the Brand Promotion Fund (BPF), were incurred primarily for franchise sales efforts and amounted to $291,170 and $272,327 for the years ended December 31, 2025 and 2024, respectively.

The Company-owned and franchised restaurants are required to contribute to the BPF based on a percentage of net sales. The objective of the fund is to pool the resources of the Company and its franchisees for promotional marketing and advertising purposes and to promote the Company's brand. The BPF had revenues and expenses of $2,100,076 and $1,046,786 for the years ended December 31, 2025 and 2024, respectively.

Contributions to the BPF are not used for general operating expenses, and, accordingly, cash balances held by the fund are restricted to BPF activities. However, the BPF can reimburse the Company for BPF expenses paid by the Company. BPF cash balances amounted to $440,704 and $381,148 at December 31, 2025 and 2024, respectively, and are included in prepaid expenses and other current assets in the accompanying balance sheets.

Income taxes

The Company is treated as a disregarded entity for tax purposes. As a result, all taxable income or losses of the Company are reported by EUG Holdco, LLC. Therefore, no liability or asset related to income taxes has been included in the balance sheets. The Company applies the provisions of FASB ASC 740, Income Taxes. These standards require that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any material uncertain tax positions.

Note 1 - Description of business and summary of significant accounting policies - continued:

Subsequent events

The Company has evaluated for subsequent events between the balance sheet date of December 31, 2025 and the report date, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

Note 2 - Revenue from contracts with customers:

The following table presents a breakdown of revenue from contracts with customers for the years ended December 31, 2025 and 2024:

	2025	2024
Royalty revenue	$ 5,979,440	$ 4,534,265
Advertising fees	2,037,095	995,792
Franchise fees	1,033,380	1,088,880
Incentive fees from suppliers	322,154	259,332
Other advertising revenues	62,981	50,994
Other	241,487	229,150
Total	$ 9,676,537	$ 7,158,413

Note 3 - Transactions with related parties:

The Company receives services and support functions from the Member and its other subsidiaries for the following functions among others: information technology, accounting and finance services, human resources, marketing, treasury, facility, gift card management and other corporate and infrastructural services. The costs associated with these services generally include employee related costs, including payroll and benefit costs, as well as overhead costs related to the support functions. Functional costs are charged to the Company based on utilization measures including direct usage, headcount, and time. Due to the centralized cash management structure in place, all such amounts have been deemed to have been paid by the Member on behalf of the Company in the period in which the costs were incurred. Allocated expenses are presented within their respective expense categories in the accompanying statements of operations and totaled $716,722 and $576,143 for the years ended December 31, 2025 and 2024, respectively. EUG OpCo TC1, a subsidiary of EUG Holdco, LLC, owns the Member's sole corporate-owned restaurant. The corporate-owned restaurant is not required to

Note 3 - Transactions with related parties - continued:

pay a franchisee fee or royalties. The corporate-owned restaurant is required to make advertising fund contributions and pay for certain technology costs, which totaled $31,875 and $21,709 during 2025 and 2024, respectively.

The Company receives and makes advances to the Member and affiliates on an as needed basis. The balances related to transactions with related parties as of year end are as follows:

December 31, 2025

Description	Due From Member and Affiliates	Due to Affiliates
EUG Holdco, LLC	$ 2,400,543	$ -
EUG Opco TC1, LLC	-	449,126
EUG GC, LLC	11,557	-
Total	$ 2,412,100	$ 449,126

December 31, 2024

Description	Due From Member and Affiliates	Due to Affiliates
EUG Holdco, LLC	$ 2,465,274	$ -
EUG Opco TC1, LLC	-	379,649
EUG GC, LLC	11,632	-
Total	$ 2,476,906	$ 379,649

Note 4 - Retirement plan:

The Company has a 401(k) savings plan, which covers substantially all employees who have attained the age of 21 and three months of service. Eligible employees make voluntary contributions to the plan up to a specified percentage of their annual compensation as defined in the plan.

Note 4 - Retirement plan - continued:

Under the plan, the Company makes discretionary matching contributions determinable each plan year. The plan also allows additional profit sharing contributions based on Company financial performance and annual eligible compensation for each participant. Company contributions to the plan totaled $80,910 and $70,067 for the years ended December 31, 2025 and 2024, respectively, which are included in salaries and benefits in the accompanying statements of operations.

Note 5 - Concentration of credit risk:

The Company maintains its cash in bank deposits, which at times may exceed federally-insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. As of December 31, 2025, the Company had approximately $2,040,000 in excess of FDIC-insured limits.

Note 6 - Commitments and contingencies:

The Company from time to time may be a defendant in legal actions generally incidental to its business. Although it is difficult to predict the outcome of any potential or threatened litigation, management believes that any ultimate liability will not materially affect the financial position and results of operations of the Company.

EUG FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

EUG FRANCHISING, LLC

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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Member
EUG Franchising, LLC

Opinion

We have audited the financial statements of EUG Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EUG Franchising, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have 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 these 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

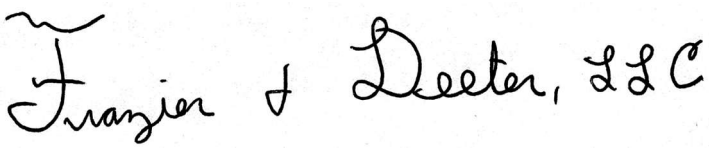
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 the Company'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 the Company'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.

March 25, 2025



EUG FRANCHISING, LLC

Balance Sheets

	December 31, 2024	December 31, 2023
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,178,514	$ 1,705,813
Accounts receivable	416,223	325,926
Prepaid expenses and other current assets	425,912	258,621
Total current assets	2,020,649	2,290,360
Property and equipment, net	-	260
Due from member and affiliated entities	2,476,906	2,200,701
Total Assets	$ 4,497,555	$ 4,491,321
Liabilities and Member's Equity		
Current Liabilities:		
Accounts payable	$ 36,609	$ 29,582
Accrued liabilities	553,820	409,501
Deferred revenue, current	983,000	1,109,000
Due to affiliated entities	379,649	8,572
Total current liabilities	1,953,078	1,556,655
Deferred revenue, net of current portion	1,474,332	1,660,211
Total liabilities	3,427,410	3,216,866
Commitments		
Member's equity	1,070,145	1,274,455
Total Liabilities and Member's Equity	$ 4,497,555	$ 4,491,321

See notes to financial statements.

EUG FRANCHISING, LLC

Statements of Operations

	For the Year Ended December 31,	
	2024	*2023*
Revenues:		
Royalties and advertising fees	$ 5,530,057	$ 4,467,303
Franchise fees	1,088,880	604,380
Other	539,476	423,172
Total revenues	7,158,413	5,494,855
Operating expenses:		
Salaries and benefits	3,044,454	2,488,823
Occupancy	98,401	67,996
Marketing and advertising	524,649	595,291
General and administrative	850,865	650,285
Depreciation and amortization	260	553
Total operating expenses	4,518,629	3,802,948
Operating income	2,639,784	1,691,907
Other income:		
Other income	5,192	1,562
Interest income	50,714	29,928
Total other income	55,906	31,490
Net income	$ 2,695,690	$ 1,723,397

See notes to financial statements.

EUG FRANCHISING, LLC

Statements of Member's Equity

For the Years Ended December 31, 2024 and 2023

Balance, December 31, 2022	$ 1,551,058
Equity distribution to member	(2,000,000)
Net income	1,723,397
Balance, December 31, 2023	1,274,455
Equity distribution to member	(2,900,000)
Net income	2,695,690
Balance, December 31, 2024	$ 1,070,145

See notes to financial statements.

EUG FRANCHISING, LLC

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents	*For the Year Ended December 31,*	
	2024	*2023*
Cash flows from operating activities:		
Net income	$ 2,695,690	$ 1,723,397
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	260	553
Changes in assets and liabilities:		
Accounts receivable	(90,297)	(54,562)
Prepaid expenses and other current assets	(167,291)	(93,127)
Accounts payable	7,027	7,497
Accrued liabilities	144,319	135,883
Deferred revenue	(311,879)	1,064,120
Net cash provided by operating activities	2,277,829	2,783,761
Cash flows from financing activities:		
Due from member and affiliated entities, net	(2,805,128)	(2,615,951)
Net cash used in financing activities	(2,805,128)	(2,615,951)
Net (decrease) increase in cash and cash equivalents	(527,299)	167,810
Cash and cash equivalents, beginning of year	1,705,813	1,538,003
Cash and cash equivalents, end of year	$ 1,178,514	$ 1,705,813
Supplemental Disclosure of Noncash Investing and Financing Transactions:		
Equity distribution to member to offset receivable from member	$ 2,900,000	$ 2,000,000

See notes to financial statements.

Note 1 - Description of business and summary of significant accounting policies:

EUG Franchising, LLC (the Company) was organized under the laws of the State of Delaware on February 21, 2018. The Company's primary purpose is to grant franchises for the establishment, development, and operation of full-service restaurants that offer breakfast, brunch, and lunch under the name "Eggs Up Grill." The Company is a wholly-owned subsidiary of EUG Holdco, LLC (EUG Holdco or the Member).

During 2019, an affiliate company, EUG Opco TC1, LLC (EUG OpCo), opened its sole Eggs Up Grill restaurant in Spartanburg, South Carolina.

At December 31, 2024 and 2023, there were 86 and 70 franchised restaurants, respectively, open and operating under the Eggs Up Grill name in multiple southeastern states.

Basis of accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Common control

The Company and affiliated companies are under the common control of the owners of the Member. The existence of that control could result in operating results or a financial position of the Company significantly different from that which would have been obtained if the entities were autonomous.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Franchise operations

The Company enters into franchise agreements with unrelated third parties to build and operate restaurants using the Company's brand within a defined geographical area. The franchisees are required to operate their restaurants in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company will not provide loans, leases, or guarantees to franchisees or their

Note 1 - Description of business and summary of significant accounting policies - continued:

Franchise operations - continued

employees and vendors. If a franchisee becomes financially distressed, the Company generally will not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company will have the right, but not the obligation, to acquire the assets of the franchisee at cost or fair value, as determined by an independent appraiser. At December 31, 2024 and 2023, there were 114 and 106 executed franchise agreements, respectively.

Revenue recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. Revenues consist primarily of royalties, advertising fund contributions, initial and renewal franchise fees, and upfront fees from development agreements. These performance obligations under franchise agreements consist of: (a) a franchise license, (b) preopening services, such as training and site selection consultation, and (c) ongoing services, such as management of the advertising fund contributions, development of training materials and menu items, and restaurant monitoring. In January 2021, the Company adopted ASU 2021-02, Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. The practical expedient allows private companies to recognize initial franchise fees when all material services or conditions relating to the sale of the franchise have been substantially performed or satisfied by the Company, which is generally when a new franchise restaurant is opened. Deferred franchise fees at December 31, 2024 and 2023, represent fees billed or collected from franchisees related to unopened restaurants.

Initial restaurant and renewal fees are payable by the franchisee upon execution of the franchise agreement. If a multi-unit development agreement is signed, the fee for the first restaurant and partial payments for the other locations are collected upon execution of the agreement. Additional fees are collected when each subsequent location is finalized. All fees are initially recorded to deferred revenue and recognized at the restaurant's opening. Renewal fees are recognized when the new franchise agreement is effective. If a restaurant is not opened within its contractual timeframe, the related fees may be forfeited and recognized at that time.

Note 1 - Description of business and summary of significant accounting policies - continued:

Revenue recognition - continued

The performance obligation under development agreements generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are initially recorded to deferred revenue and are then apportioned to each franchise agreement execution and accounted for as an initial franchise fee at that time.

Franchisee royalties, including franchisee contributions to the advertising fund, are calculated as a percentage of franchise restaurant sales. During 2024 and 2023, royalties ranged from 4% to 5% and advertising contributions were 1%, over the term of the franchise agreement. Franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised restaurant sales occur. Royalties totaled $4,534,265 and $3,681,856 during 2024 and 2023, respectively, which are included in royalties and advertising fees in the accompanying statements of operations. Advertising fund contributions totaled $995,792 and $785,447 during 2024 and 2023, respectively, which are included in royalties and advertising fees in the accompanying statements of operations and related expenses are recorded as the obligations are incurred, upon receipt of the contribution. At December 31, 2024, the advertising fund had a net asset of $56,610, which is included in accounts receivable in the accompanying balance sheets. At December 31, 2023, the advertising fund had a net liability of $4,402, which is included in accrued expenses in the accompanying balance sheets.

The Company receives incentive payments from certain suppliers, the amounts of which depend upon the system's volume of purchases from the suppliers. The Company recognizes revenue for these incentives in the period in which the underlying transaction takes place or the point in which the incentive due is determinable. The incentives are included within other revenues in the accompanying statements of operations. As of December 31, 2024 and 2023, the Company had vendor rebates receivable of $50,470 and $41,000, respectively, which are included in accounts receivable in the accompanying balance sheets.

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash and cash equivalents.

Note 1 - Description of business and summary of significant accounting policies - continued:

Accounts receivable

Accounts receivable is primarily comprised of royalty and advertising fees not received by the Company at December 31, 2024 and 2023. The Company considers the accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was provided. As of January 1, 2023, the accounts receivable balance was $271,364.

Advertising

The Company expenses all advertising costs as incurred. Advertising costs, exclusive of amounts expended by the Brand Promotion Fund (BPF), were incurred primarily for franchise sales efforts and amounted to $272,327 and $206,661 for the years ended December 31, 2024 and 2023, respectively.

The Company-owned and franchised restaurants are required to contribute to the BPF based on a percentage of sales. The objective of the fund is to pool the resources of the Company and its franchisees for promotional marketing and advertising purposes and to promote the Company's brand. The BPF had revenues and expenses of $1,046,786 and $844,498 for the years ended December 31, 2024 and 2023, respectively.

Contributions to the BPF are not used for general operating expenses, and, accordingly, cash balances held by the fund are restricted to BPF activities. However, the BPF can reimburse the Company for BPF expenses paid by the Company. BPF cash balances amounted to $381,149 and $255,487 at December 31, 2024 and 2023, respectively, and are included in prepaid expenses and other current assets in the accompanying balance sheets.

Property and equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows: furniture and fixtures, five years; and equipment, three years. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized.

Note 1 - Description of business and summary of significant accounting policies - continued:

Income taxes

The Company is treated as a disregarded entity for tax purposes. As a result, all taxable income or losses of the Company are reported by EUG Holdco, LLC. Therefore, no liability or asset related to income taxes has been included in the balance sheets. The Company applies the provisions of FASB ASC 740, Income Taxes. These standards require that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any material uncertain tax positions.

Subsequent events

In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated for subsequent events between the balance sheet date of December 31, 2024 and the report date, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

Note 2 - Property and equipment:

A summary of property and equipment at December 31, 2024 and 2023 is as follows:

	2024	2023
Furniture and fixtures	$ -	$ 3,252
Equipment	1,171	4,403
Less: Accumulated depreciation and amortization	(1,171)	(7,395)
Net property and equipment	$ -	$ 260

Depreciation and amortization expense associated with property and equipment totaled $260 and $553 for the years ended December 31, 2024 and 2023, respectively.

Note 3 - Revenue from contracts with customers:

The following table presents a breakdown of revenue from contracts with customers for the years ended December 31, 2024 and 2023:

	2024	2023
Royalty revenue	$ 4,534,265	$ 3,681,856
Advertising fees	995,792	785,447
Franchise fees	1,088,880	604,380
Incentive fees from suppliers	259,332	235,800
Other	280,144	187,372
Total	$ 7,158,413	$ 5,494,855

Note 4 - Transactions with related parties:

The Company receives services and support functions from the Member and its other subsidiaries for the following functions among others: information technology, accounting and finance services, human resources, marketing, treasury, facility, gift card management and other corporate and infrastructural services. The costs associated with these services generally include employee related costs, including payroll and benefit costs, as well as overhead costs related to the support functions. Functional costs are charged to the Company based on utilization measures including direct usage, headcount, and time. Due to the centralized cash management structure in place, all such amounts have been deemed to have been paid by the Member on behalf of the Company in the period in which the costs were incurred. Allocated expenses are presented within their respective expense categories in the accompanying statements of operations and totaled $576,143 and $558,928 for the years ended December 31, 2024 and 2023, respectively. EUG OpCo TC1, a subsidiary of EUG Holdco, LLC, owns the Member's sole corporate-owned restaurant. The corporate-owned restaurant is not required to pay a franchisee fee or royalties. The corporate-owned restaurant is required to make advertising fund contributions and pay for certain technology costs, which totaled $21,709 and $18,191 during 2024 and 2023, respectively.

Note 4 - Transactions with related parties - continued:

The Company receives and makes advances to the Member and affiliates on an as needed basis. The balances related to transactions with related parties as of year end are as follows:

December 31, 2024		
Description	Due From Member and Affiliates	Due to Affiliates
EUG Holdco, LLC	$ 2,465,274	$ -
EUG Opco TC1, LLC	-	379,649
EUG GC, LLC	11,632	-
Total	$ 2,476,906	$ 379,649

December 31, 2023		
Description	Due From Member and Affiliates	Due to Affiliates
EUG Holdco, LLC	$ 2,188,839	$ -
EUG Opco TC1, LLC	-	8,572
EUG GC, LLC	11,862	-
Total	$ 2,200,701	$ 8,572

Note 5 - Retirement plan:

The Company has a 401(k) savings plan, which covers substantially all employees who have attained the age of 21 and three months of service. Eligible employees make voluntary contributions to the plan up to a specified percentage of their annual compensation as defined in the plan.

Under the plan, the Company makes discretionary matching contributions determinable each plan year. The plan also allows additional profit sharing contributions based on Company financial performance and annual eligible compensation for each participant. Company contributions to the plan totaled $70,067 and $46,317 for the years ended December 31, 2024 and 2023, respectively, which are included in salaries and benefits in the accompanying statements of operations.

Note 6 - Concentration of credit risk:

The Company maintains its cash in bank deposits, which at times may exceed federally-insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. As of December 31, 2024, the Company had approximately $1,310,000 in excess of FDIC-insured limits.

Note 7 - Commitments and contingencies:

The Company from time to time may be a defendant in legal actions generally incidental to its business. Although it is difficult to predict the outcome of any potential or threatened litigation, management believes that any ultimate liability will not materially affect the financial position and results of operations of the Company.

EXHIBIT G

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EUG Franchising, LLC
Franchise Operations Manual

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EXHIBIT H

SAMPLE GENERAL RELEASE

EUG FRANCHISING, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

EUG FRANCHISING, LLC ("we") and the undersigned [franchisee], _____ _____ ("you"), currently are parties to a certain Franchise Agreement (the "Franchise Agreement") dated _____, 20___. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____ _____ _____ _____ _____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your current and former parents, affiliates, and subsidiaries, and each of your and such foregoing person's or entity's respective agents, spouses, heirs, principals, attorneys, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (collectively, the "Releasing Parties"), hereby forever release and discharge us and our affiliates, and our and their current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "EUG Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the EUG Parties, including without limitation, Claims (1) arising out of or related to the EUG Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the EUG Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the EUG Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this release on the date stated on the first page hereof.

FRANCHISOR:

EUG FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name:_____
Title: _____
Date: _____

FRANCHISE OWNER:

_____
[Name of Franchisee]

By:_____
Name:_____
Title:_____
Date: _____

EXHIBIT I

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF EUG FRANCHISING, LLC

The following are additional disclosures for the Franchise Disclosure Document of EUG Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: ILLINOIS INDIANA, MARYLAND, MICHIGAN, NEW YORK, VIRGINIA, AND WISCONSIN:

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

ILLINOIS

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

2. A local advertising cooperative may be formed during the term of the franchise agreement, and you are required to contribute an unknown amount based on the members' vote. See Items 6, 8, and 11 for more information

3. The "Summary" section of Item 17(u), entitled "Dispute resolution by arbitration or mediation," and the "Summary" section of Item 17(v), entitled "Choice of forum," are deleted and replaced with the following:

> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

4. The "Summary" section of Item 17(w), entitled "Choice of law," is deleted and replaced with the following:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

5. The following language is added to the end of Item 17:

> 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.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

MARYLAND

1. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for Franchisor's approval of transfer," as applicable to both the Franchise Agreement and the Development Agreement:

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

2. The following is added to the end of the "Summary" section of Item 17(h), entitled "'Cause' defined – non-curable defaults":

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. These provisions might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce them to the extent enforceable.

3. The following sentence is added to the end of the "Summary" sections of Item 17(v) entitled "Choice of forum" and 17(w) entitled "Choice of law", as applicable to both the Franchise Agreement and the Development Agreement:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act,

there is some dispute as to whether this forum selection requirement is legally enforceable.

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

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 THAT 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, the following applies 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 that is 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 ten years 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 a 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; this proviso intends that the nonwaiver 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 a 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 the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts-- Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee

before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17(e), entitled "Termination by franchisor without cause":

> 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 grounds for default or termination stated in the 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.

2. The following terms will apply to the franchise offered hereby if required by applicable law and only if the franchise is granted on or after July 1, 2026:

> Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act ("Act"), for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.
>
> Under subdivision A 4 of § 13.1-563 of the Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

THE FOLLOWING PAGES IN THIS EXHIBIT CONTAIN
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "**Franchise Agreement**"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Eggs Up Grill Restaurant that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added to the end of the Franchise Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
>
> 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.
>
> Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.
>
> No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **ADVERTISING**. A local advertising cooperative may be formed during the term of the Franchise Agreement, and you are required to contribute an unknown amount based on the members' vote. See Items 6, 8, and 11 for more information.

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

EUG FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____
Date*:_____
(*This is the Effective Date)

FRANCHISE OWNER:

_____
[Name]

By:_____
Name:_____
Title:_____
Date: _____

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Development Agreement dated _____, 20____ (the "**Development Agreement**"). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and your Eggs Up Grill Restaurants that you will develop under your Development Agreement are or will be operated in the State of Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Development Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Development Agreement.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
>
> 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.
>
> Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.
>
> No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **ADVERTISING**. A local advertising cooperative may be formed during the term of the Franchise Agreements we and you or your Approved Affiliates enter into, and you are required to contribute an unknown amount based on the members' vote. See Items 6, 8, and 11 for more information.

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

EUG FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____
Date*:_____
(*This is the Effective Date)

AREA DEVELOPER:

_____
[Name]

By:_____
Name:_____
Title:_____
Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "**Agreement**"). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) you are a resident of Maryland; or (b) your Eggs Up Grill Restaurant will be operated in Maryland; or (c) the offer to sell is made in Maryland; or (d) the offer to buy is accepted in Maryland.

2. **RELEASES.** The following is added to the end of Sections 12.C ("**Conditions for Approval of Transfer**"), 13.C ("**Agreements/Releases**"), and 15.E ("**Our Right to Purchase Your Restaurant**") of the Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **TERMINATION**. The following sentence is added to the end of Section 14.B(18) of the Agreement:

> This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **ARBITRATION**. The following language is added to the end of Section 17.G ("**Arbitration**") of the Agreement:

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

5. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 17.I ("**Consent to Jurisdiction**") of the Agreement:

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

6. **LIMITATION OF CLAIMS**. The following language is added to the end of Section 17.M ("**Limitations of Claims**") of the Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

7. **RELEASES**. The Agreement is further amended to state that "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

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

EUG FRANCHISING, LLC, a Delaware limited liability company	**FRANCHISE OWNER:**
	_____
	[Name]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date**:**_____	Date: _____

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20____ (the "**Agreement**"). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) you are a resident of Maryland; or (b) the Eggs Up Grill Restaurants that you will develop under the Agreement will be located in Maryland; or (c) the offer to sell is made in Maryland; or (d) the offer to buy is accepted in Maryland.

2. **EVENTS OF TERMINATION**. The following sentence is added to the end of Section 11.A(4) of the Agreement:

> This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

3. **ARBITRATION**. The following language is added to the end of Section 13.A ("**Arbitration**") of the Agreement:

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

4. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 13.C ("**Consent to Jurisdiction**") of the Agreement:

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

5. **LIMITATION OF CLAIMS**. The following language is added to the end of Section 13.F ("**Limitation of Claims**") of the Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

6. **RELEASES**. The Agreement is further amended to state that "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

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

EUG FRANCHISING, LLC, a Delaware limited liability company	**AREA DEVELOPER:**
	_____
	[Name]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date**:**_____	Date: _____

RIDER TO THE
FRANCHISE AGREEMENT FOR USE IN THE
STATE OF NEW YORK

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "**Agreement**"). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Eggs Up Grill Restaurant that you will operate under the Agreement will be located in New York, and/or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us was accepted in the State of New York.

2. **TRANSFER BY US**. The following language is added to the end of Section 12.A of the Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES**. The following is added to the end of Sections 12.C ("**Conditions for Approval of Transfer**"), 13.C ("**Agreements/Releases**"), and 15.E ("**Our Right to Purchase Your Restaurant**") of the Agreement:

> Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT - BY YOU**. The following language is added to the end of Section 14.A of the Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **VENUE; GOVERNING LAW**. The following statement is added at the end of Section 17.H of the Agreement:

> This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

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

EUG FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____
Date**:**_____

FRANCHISE OWNER:

_____
[Name]

By:_____
Name:_____
Title:_____
Date: _____

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20____ (the "**Agreement**"). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Eggs Up Grill Restaurants that you will develop under the Agreement will be located in New York, and/or (b) our offer to sell you a the development rights is made from or your offer to buy the development rights from us was accepted in the State of New York.

2. **TRANSFER BY US**. The following language is added to the end of Section 10.A of the Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **EVENTS OF TERMINATION**. The following language is added to the end of Section 11.A of the Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

4. **APPLICABLE LAW; CONSENT TO JURISDICTION**. The following is added to the end of Sections 13.B and 13.C of the Agreement:

> This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

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

EUG FRANCHISING, LLC, a Delaware limited liability company	**AREA DEVELOPER:**
	_____
	[Name]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date**:**_____	Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN VIRGINIA

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "**Agreement**"). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) the franchise to operate a Restaurant is granted on or after July 1, 2026, and the Act (defined below) so requires, and (b) the offer or sale of such franchise is for a Restaurant that is to be located or operated in the Commonwealth of Virginia.

2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act ("Act"), for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

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

EUG FRANCHISING, LLC, a Delaware limited liability company	**FRANCHISE OWNER:**
	_____
	[Name]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date: _____

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN VIRGINIA

THIS RIDER is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("**us**"), and _____ _____, a _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND**. We and you are parties to that certain Area Development Agreement dated _____, 20____ (the "**Agreement**"). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because: (a) the development rights are granted on or after July 1, 2026, and the Act (defined below) so requires, and (b) the offer or sale of such development rights is made in connection with Eggs Up Grill restaurants that are to be located or operated in the Commonwealth of Virginia.

2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act ("Act"), for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

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

EUG FRANCHISING, LLC, a Delaware limited liability company	**AREA DEVELOPER:**
	_____
	[Name]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date: _____

EXHIBIT J

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

This **RENEWAL ADDENDUM TO FRANCHISE AGREEMENT** (this "**Addendum**") is made and entered into by and between **EUG FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306 ("us"), and the undersigned Franchisee ("you"), as of the date on which we execute this Addendum (the "**Effective Date**").

RECITALS

A. We, directly or as successor-in-interest to Egg Ventures, Inc., and you are party to that certain franchise agreement dated _____ (as amended, the "**Original Franchise Agreement**") which governs your ownership and operation of an Eggs Up Grill® Restaurant located at _____ bearing our internal designation of #_____ (the "**Restaurant**").

B. The Original Franchise Agreement is set to expire on [_____], and, pursuant to the terms thereof, you wish to renew your right to operate the Restaurant.

C. As required under the Original Franchise Agreement, you and we have entered into that certain franchise agreement, dated as of the Effective Date (the "**New Franchise Agreement**"), which will govern your ownership and operation of the Restaurant from and after the Effective Date.

D. We and you desire to amend certain provisions of the New Franchise Agreement, as described herein, in recognition of the fact that the New Franchise Agreement governs the operation of an operating Restaurant.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are acknowledged, agree as follows:

1. **Acknowledgment of Expiration of Original Franchise Agreement**. The parties acknowledge and agree that, as of the Effective Date, the Original Franchise Agreement has expired and that the ownership and operation of the Restaurant will hereafter be governed by and subject to the New Franchise Agreement. Notwithstanding the foregoing, you acknowledge and agree that nothing contained in this Addendum will release you and your owners from any obligations under the Original Franchise Agreement that by their nature survive termination (such as, [Section 16.D (Indemnification)]); provided, however, that because you will continue operating the Restaurant after the expiration of the Original Franchise Agreement, we waive your obligation to satisfy the post-term obligations set forth in [Section 15 (Our and Your Rights and Obligations upon Termination or Expiration of this Agreement)] of the Original Franchise Agreement.

2. **Amendment to New Franchise Agreement**.

A. Development of Restaurant. You and we agree that, as of the Effective Date, all the provisions in the New Franchise Agreement that pertain to the initial development of the Restaurant, (including, without limitation, (i) identification and approval of the Premises of the Restaurant and the development and opening of your Restaurant as set forth in Section 2, and (ii) our obligation to provide, and your obligation to complete, the initial training as set forth in

Section 4.A), are deemed to have been satisfied but only to the extent that such obligations apply to the initial development of the Restaurant. You agree to comply with all of your obligations under the New Franchise Agreement (including, without limitation, Section 2 and Section 4.A thereof) as they apply to the continuation of the operation of the Restaurant.

B. Initial Franchise Fee. You previously paid an initial franchise fee in connection with the Original Franchise Agreement. Therefore, Section 3.A. (Initial Franchise Fee) of the New Franchise Agreement is deleted. However, in accordance with [Section 1.5] of the Original Franchise Agreement, you have paid us a renewal fee of [$5,000] simultaneously with your execution of the New Franchise Agreement.

C. Grand Opening Advertising. Section 9.A (Grand Opening Advertising) of the New Franchise Agreement is deleted in its entirety.

D. Other Conditions. You agree to remodel and refurbish the Restaurant and its premises as necessary to comply with the System Standards, including, without limitation, those items reflected on Exhibit A hereto. All such required remodel and refurbishment must be completed by not later than the date shown on Exhibit A and must be accepted and approved by us by such date.

E. Release. You, on behalf of yourself, and your current and former parents, affiliates, and subsidiaries, and each of the foregoing person's or entity's respective direct or indirect owners, officers, directors, employees, representatives, predecessors, spouses, heirs, principals, attorneys, agents, successors, and assigns (collectively, the "**Releasing Parties**"), do hereby absolutely and irrevocably release and discharge us and our parents, subsidiaries, and affiliates, and each of the foregoing entity's current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (the "**Franchisor Parties**"), of and from any and all claims, obligations, debts, proceedings, demands, causes of actions, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, at law or in equity (collectively, "**Claims**"), which any of them has, had or may have, from the beginning of time to the Effective Date, including, without limitation, those arising out of or relating in any way to the Original Franchise Agreement, the relationship created by the Original Franchise Agreement, or the development, ownership, or operation of the Restaurant. You, on behalf of yourself and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this Section and warrant and represent that you and they have not assigned or otherwise transferred any Claims released by this Section.

If the Restaurant you operate under the Original Franchise and/or New Franchise Agreement is located in Maryland or if any of the Releasing Parties is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **Miscellaneous**. The New Franchise Agreement shall be amended only in the particulars set forth above. All other provisions of the New Franchise Agreement shall continue

in full force and effect as set forth therein. The terms of this Addendum form an integral part, and hereby are incorporated into and made a part, of the New Franchise Agreement. In the event of a conflict between the terms contained in the New Franchise Agreement and this Addendum, the terms and conditions of this Addendum shall govern, control, and supersede any inconsistent or conflicting terms of the New Franchise Agreement. This Addendum may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. This Addendum may be executed electronically, and a scanned copy of the electronically executed Addendum shall have the same force and effect as an original.

[*Signature page follows*]

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative on dates shown below and made effective as of the Effective Date.

FRANCHISEE:	**FRANCHISOR:**
[NAME OF FRANCHISEE]	**EUG FRANCHISING, LLC**, a Delaware limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date*: _____
	**Effective Date*

EXHIBIT A

REMODELING REQUIREMENTS

[List the remodeling requirements, if any.]

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

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:

Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	May 14, 2026
New York	Pending
Virginia	Pending
Wisconsin	May 14, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

RECEIPTS

RECEIPT
(OUR COPY)

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 EUG Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, EUG Franchising, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If EUG 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is EUG Franchising, LLC, 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306; (864) 310-2408. The franchise seller for this offering is:

❑ Jennifer Folger
EUG Franchising, LLC
100 Dunbar Street
Suite 301
Spartanburg, SC 29306
(864) 310-2408

❑ Ricky Richardson
EUG Franchising, LLC
100 Dunbar Street
Suite 301
Spartanburg, SC 29306
(864) 310-2408

❑ _____
EUG Franchising, LLC
100 Dunbar Street
Suite 301
Spartanburg, SC 29306
(864) 310-2408

Name of Franchise Seller: _____

Principal Business Address: _____

_____

Telephone No.: _____

Issuance Date: May 14, 2026

See Exhibit A for EUG Franchising, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated May 14, 2026, that included the following Exhibits:

Exhibit A	State Administrators / Agents for Service of Process	Exhibit F	Financial Statements
		Exhibit G	Table of Contents of Operations Manual
Exhibit B	Form of Franchise Agreement	Exhibit H	Sample General Release
Exhibit C	Form of Area Development Agreement	Exhibit I	State Addenda
Exhibit D	List of Franchisees	Exhibit J	Franchise Agreement Renewal Addendum
Exhibit E	List of Former Franchisees	Exhibit K	Receipts

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to EUG Franchising, LLC, 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306. Phone: (864) 310-2408, Email: info@eggsupgrill.com.

RECEIPT
(YOUR COPY)

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 EUG Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, EUG Franchising, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If EUG 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is EUG Franchising, LLC, 100 Dunbar Street, Suite 301, Spartanburg, South Carolina 29306; (864) 310-2408. The franchise seller for this offering is:

❑ Jennifer Folger
EUG Franchising, LLC
100 Dunbar Street
Suite 301
Spartanburg, SC 29306
(864) 310-2408

❑ Ricky Richardson
EUG Franchising, LLC
100 Dunbar Street
Suite 301
Spartanburg, SC 29306
(864) 310-2408

❑ _____
EUG Franchising, LLC
100 Dunbar Street
Suite 301
Spartanburg, SC 29306
(864) 310-2408

Name of Franchise Seller: _____

Principal Business Address: _____

_____

Telephone No.: _____

Issuance Date: May 14, 2026

See Exhibit A for EUG Franchising, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated May 14, 2026, that included the following Exhibits:

Exhibit A	State Administrators / Agents for Service of Process	Exhibit F	Financial Statements
		Exhibit G	Table of Contents of Operations Manual
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Exhibit E	List of Former Franchisees	Exhibit K	Receipts

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.