


FRANCHISE DISCLOSURE DOCUMENT

	Gregory's Coffee Franchise LLC 755 Schneider Drive South Elgin, Illinois 60177 (847) 608-8500 franchising@craveworthybrands.com https://theGregory'sCoffee.com
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As a Gregory's Coffee® franchisee, you will operate a coffee shop serving coffee, tea, pastries, and other related food and beverage items.

The total investment necessary to begin operation of a Gregory's Coffee® franchised business is \$459,150 to \$9~~46,072,500~~. This includes \$35,000 to \$48,000 that must be paid to the franchisor or its affiliates. The total investment necessary to enter into an area development agreement ranges from \$1,357,450 to \$2,8~~18,097,500~~ (numbers based on a 3-territory area development agreement although there is no required minimum to enter into an area development agreement). This includes the \$100,000 to \$133,000 that 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 to you. To discuss the availability of disclosures in different formats, contact Gregg Majewski at gregg@craveworthybrands.com and (847) 608-8500.

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

Issuance Date: February 3, 2026, as amended ~~February 18~~April 13, 2026

FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The name of the franchisor is Gregory's Coffee Franchise LLC. In this disclosure document Gregory's Coffee Franchise LLC is referred to as "we" or "us" or "our" or "Gregory's Coffee;" "franchisee," "you" or "yours" means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership, or other entity.

Our limited liability company was organized on December 29, 2025, in the state of Nevada under the name Gregory's Coffee Franchise LLC. Our principal place of business is 755 Schneider Drive, South Elgin, Illinois 60177.

Our agents for service of process in various states are disclosed in Exhibit "D."

Franchisor Business Activities

We do not do business under any name other than Gregory's Coffee Franchise LLC, or Gregory's Coffee®. We do not operate a business of the type offered to you in this disclosure document. As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering and selling Gregory's Coffee® franchises in February 2026.

Parent, Affiliate, and/or Predecessor Business Activities Involving Gregory's Coffee®

Parent

Our parent, Craveworthy LLC, a Nevada limited liability company, was organized on December 19, 2022, in the State of Nevada. Its principal place of business is 755 Schneider Drive, South Elgin, Illinois 60177. Craveworthy LLC became our parent company in January 2023 through an asset purchase. Our parent has offered and sold franchises through multiple restaurant brands since 2021.

Other Craveworthy brands franchise systems include:

- The Budlong Franchise Nevada LLC, a Nevada limited liability company, with a business address 755 Schneider Dr, South Elgin, Illinois 60177, has offered The Budlong Hot Chicken franchises since April 2023. As of December 31, 2025, there were no open Budlong franchise units.
- Taim Mediterranean Kitchen Franchising LLC, a Delaware limited liability company, with a business address 755 Schneider Dr, South Elgin, Illinois 60177, has offered Taim Mediterranean Kitchen franchises since May 2025. As of December 31, 2025, there were no open Taim Mediterranean franchise units.
- Dirty Dough Franchising LLC, a Utah limited liability company with a business address of 632 N. 2000 W., Unit 110, Lindon, Utah 84042, has offered Dirty Dough franchises since 2021. As of December 31, 2025, there were 39 open Dirty Dough franchise units.
- WIO Franchising LLC, a Nevada limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered Wing It On! franchises since 2023. As of December 31, 2025, there were 7 open Wing it On! franchise units.

- Genghis Grill Franchise LLC, a Nevada limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered Genghis Grill franchises since July 2023; its predecessor offered franchises from January 2005 to July 2023. As of December 31, 2025, there were 2 open Genghis Grill franchise units.
- Sigrí Franchise LLC, a Nevada limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered Sigrí Indian BBQ franchises since March 2025. As of December 31, 2025, there were no open Sigrí Indian BBQ franchise units.
- BC Licensing LLC, a Nevada limited liability company, with a business address 10845 Griffith Peak Drive, Ste 520, Las Vegas, Nevada 89135, has offered Big Chicken franchises since August 2021. As of December 31, 2025, there were 19 open Big Chicken franchise units.
- BD's Mongolian Grill Franchise LLC, a Nevada limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered bd's Mongolian Grill franchises since July 2023; its predecessor offered franchises from December 1995 to July 2023. As of December 31, 2025, there were 6 open bd's Mongolian Grill franchise units.
- The Lucky Cat Poke LLC, an Illinois limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered Lucky Cat Poke franchises since 2023. As of December 31, 2025, there were no open Lucky Cat Poke franchise units.
- Krafted Burgers Franchise LLC, an Illinois limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered Krafted Burger Bar + Tap franchises since 2023. As of December 31, 2025, there were no open Krafted Burger Bar + Tap franchise units.
- Taffer's Tavern Franchise LLC, an Illinois limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, has offered Taffer's Tavern franchises since 2021. As of December 31, 2025, there were 2 open Taffer's Tavern franchise units.
- Fresh Brothers Franchising LLC, a Nevada limited liability company, with a business address 755 Schneider Drive, South Elgin, Illinois 60177, began offering Fresh Brothers pizza franchises in 2026 and has no operating Fresh Brothers franchise units as of February 1, 2026.

Predecessor

Our predecessor Gregorys Coffee Inc., a Delaware C-Corporation was registered in 2015 as a successor to Gregorys Coffee Inc., a New York corporation registered in 2010. Gregorys joined the Craveworthy portfolio in July 2025. Its principal place of business was 263 West 38TH Street, Apt. 15E, New York, NY, 10018. This predecessor does not operate any business and does not offer franchises in this or any other line of business.

We have no other affiliates, parents or predecessors required to be disclosed in this Item.

Franchise Offered

We license and train others to operate Gregorys Coffee® businesses. As a Gregorys Coffee® business you will offer a coffee shop business serving coffee, tea, pastries, and other related food and beverage items. The grant of a franchise authorizes you to engage in our complete system under the name Gregorys Coffee® and other proprietary marks.

Gregg Majewski – Manager (Craveworthy LLC)

Gregg Majewski has been ~~the Manager of~~ Craveworthy LLC's Manager since its inception in June 2022, and has been the Manager of Golden Road Food Services, L.L.C. since October 2024. Mr. Majewski has also served as the Chief Executive Officer of Mongolian Concepts, LLC ("MC") in Irving, Texas since September 2021, and is located in South Elgin, Illinois. Gregg has served as the Manager of Gregory's Coffee Franchise LLC since January 2026, and is located in South Elgin, Illinois. Mr. Majewski has also served as the Chief Executive Officer of Craveworthy Brands LLC ("CW"), located in South Elgin, Illinois, since January 2023. Mr. Majewski has been the Chief Executive Officer of Wildcat Investment, LLC in South Elgin, Illinois since December 1999.

Gregory Zamfotis – Founder & Brand President

Mr. Zamfotis founded Gregory's in 2006 serving as its CEO from 2006 until July 2025, and Gregory's Coffee Brand President from July 2025, to present he acts as an advisor for menu innovation, store operations and supply chain.

Kirk Hillabrand – Senior Vice President of Franchise Operations (Craveworthy LLC)

Mr. Hillabrand has been Craveworthy LLC's Senior Vice President of Franchise Operations since June 2024. He previously held the position of Chief Operating Officer for a different Craveworthy Brand, Dirty Dough. Before that, from 2017 to 2024, he served as Regional Director of Franchise Operations for American Dairy Queen. Previously, he was a Company Director of Operations for Buffalo Wild Wings from 2007 to 2017, managing all corporate locations in Tennessee, Indiana and parts of Kentucky.

Justin Egan – Vice President of Franchise Marketing (Craveworthy LLC)

Mr. Egan has been Craveworthy LLC's Vice President of Marketing since February 2023. He has been Chief Marketing Officer of WIO Franchising Inc. since January 2020. He was previously Director of Marketing for the predecessor company Wing It On Franchising LLC from February 2014 to January 2020. Prior to working with Wing It On Franchising LLC, Mr. Egan held multiple leadership roles in both Product Marketing & Brand Management for The Hartford Insurance Company, located in Connecticut, from September 2008 to April of 2018.

Alexis Gillette, Vice President of Brand Management (Craveworthy LLC)

Ms. Gillette has been Craveworthy LLC's Vice President of Brand Management since June 2025. Most recently, she was Vice President of Marketing for Minneapolis based Dunn Brothers Coffee from January 2024 to May 2025. She ran an independent strategy consulting business from November 2020 to December 2023 with various clients, including JCPenney and 7-ELEVEN. Previously, she served as Vice President of Marketing Communication at Raising Cane's from September 2019 to October 2020.

Joshua Halpern – Chief Business Officer (Craveworthy LLC)

Joshua Halpern has served as Craveworthy LLC's Chief Business Officer since March 2025. He has also served as the Chief Executive Officer of BC Licensing LLC since May 2021 in Las Vegas, Nevada. Previously, Mr. Halpern served from February 2018 to January 2021 as the Chief Sales Officer for FIFCO USA in Buffalo, New York.

Nick Waeltz – Senior Vice President, Real Estate and Construction (Craveworthy LLC)

Mr. Waeltz has been Craveworthy LLC's Senior Vice President of Real Estate and Construction since May 2025. He has also served as Principal of IRON Development Consulting in Medinah, Illinois, providing services to multiple restaurant and retail brands from June 2023 to May 2025. Prior to that, he was Senior Director of Store Development for Green Thumb Industries in Chicago, Illinois from 2021 to 2023, Director

~~of Construction at Bottleneck Management in Chicago, Illinois from 2017 to 2020, and also helped develop Roti Mediterranean and Jimmy John's. Mr. Waeltz has been Craveworthy LLC's Senior Vice President of Real Estate and Construction since May 2025. He has also served as Principal of IRON Development Consulting providing services to multiple restaurant and retail brands from June 2023 to May 2025. Prior to that, he was Senior Director of Store Development for Green Thumb Industries from 2021 to 2023, Director of Construction at Bottleneck Management from 2017 to 2020, and also helped develop Roti Mediterranean and Jimmy John's.~~

Samuel Stanovich – Senior Vice President, Franchise Leadership (Craveworthy LLC)

Samuel Stanovich has served as Craveworthy LLC's Senior Vice President, Franchise Leadership since March 2025. He is also the Senior Vice President, Franchise Leadership at BC Licensing LLC since June 2021 in Las Vegas, Nevada. Previously, Mr. Stanovich worked with Firehouse Subs as an Area Representative and Franchisee for the Firehouse Subs brand from November 2015 to March 2021 in Chicago, Illinois.

Cassie Miller—Senior Vice President of Training and People (Craveworthy LLC)

Ms. Miller has been Craveworthy LLC's Vice President of Training and People since July 2024, was our Senior Director of Training and People from January 2023 to July 2024 and has served as Senior Director of Training and People of another Craveworthy brand, Mongolian Concepts ("MC") in Sterling Heights, Michigan since March 2020. Prior to that, she was the Director of Training for MC from March 2018 to March 2020, and was the Operations Support Manager for DK Flat Top Grill, LLC in Burnsville, MN from January 2016 to March 2018.

Kyle Sampson – Operations Manager (Craveworthy LLC)

Kyle Sampson has been Craveworthy LLC's Operations Manager since our inception in June 2023. Since January 2018 Kyle has also served as the Operations Manager for WIO Franchising LLC, a franchisor of Wing It On Franchising LLC, in Waterbury, Connecticut.

Christopher Gumprecht -Vice President of Marketing and Information Technology (Craveworthy LLC)

Christopher Gumprecht has been Craveworthy LLC's Vice President of Marketing and Information Technology since March 2025. In addition, Mr. Gumprecht was the Vice President of Technology of Roti Restaurants, LLC, based in Chicago, Illinois from December 2021 to December 2024; and the Vice President of Guest Technology for Lettuce Entertain You Enterprises based in Chicago, Illinois from August 2001 to December 2021.

Minhee Hwang – Director of Food and Beverage (Craveworthy LLC)

Minhee Hwang has been Craveworthy LLC's Director of Food and Beverage since June 2022. In addition, Ms. Hwang was the Director of Operation/Food for Wasabi Sushi Bento based in New York, New York from February 2014 to July 2022.

Rene Puerta – Director of Marketing (Craveworthy LLC)

Rene Puerta has been Craveworthy LLC's Director of Marketing since December 2023. From June 2023 to June 2024, Mr. Puerta was a consultant for HopeTowns Initiative a non-profit in Port Hope, Ontario, Canada. In addition, Mr. Puerta Rene was the Director of Marketing for Hudson Bay Company based in Toronto, Canada from September 2022 to May 2023. Mr. Puerta Rene was also a Market Manager for Kraft Heinz based in Toronto, Canada from July 2017 to September 2022.

Matt Ensero –Vice President of Franchise Operations & Development (Craveworthy)

Matt Ensero has served as the Craveworthy Brands VP, Franchise Operations since April 2025, and was the Operations and Development Manager from June 2023 to April 2025. He is also the brand President for

3 Craveworthy Brands: Wing it One, Sigri Indian BBQ, and Taim Mediterranean Kitchen; and has held this position since our inception in June 2023. Since January 2020, he has served as president of WIO Franchising, Inc. in Apex, North Carolina, and as President of the WIO Franchising predecessor company, Wing It On Franchising LLC in Waterbury, Connecticut since 2014.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

In re Roti Restaurants, LLC., United States Bankruptcy Court for the Northern District of Illinois, Case No. 24-13827, filed on August 23, 2024. On August 23, 2024, Roti Restaurants, LLC (“Roti”), which has a principal place of business of 445 N. Wells Street, Suite 404, Chicago, IL 60654, filed a petition to reorganize under subchapter 5a of Chapter 11 of the U.S. Bankruptcy Code in the Northern District of Illinois. Roti operated a fast-casual restaurant chain, but the business ultimately failed due to rising costs, mixed location performance, and difficult market conditions. Christopher Gumprecht, Big Chicken’s and Craveworthy’s Vice President of Marketing and Information Technology, was the Vice President of Technology of Roti at the time of this filing. On February 26, 2025, the Court issued a plan confirmation order.

Other than the above, no bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

On the signing of the franchise agreement, you must pay an initial franchise fee of \$35,000, which is payable in one lump sum. To honor those men and women who have served our country in the U.S. Armed Forces, if your operating principal is a veteran, we will offer a 10% discount off the initial franchise fee for your first unit, contingent upon verification of honorable separation. Discounts cannot be combined.

Additional Franchise Purchases

During the term of your franchise, you may purchase additional franchises for the reduced franchise fee of \$30,000, and you must sign our then-current franchise agreement. This option will only be available to you if there are franchise territories available, you meet our then-current criteria for new franchisees, you are current and not in default of your franchise agreement, and, in our sole discretion, we determine to sell you another franchise.

Initial Training

There is no training fee for up to 3 attendees. We also allow extra attendees to attend the same initial training for an additional fee of \$1,000 per person. All initial training fees are due and payable 45 days prior to your scheduled training.

Rescheduling Fee

If you reschedule the initial training or the opening assistant training within 14 days of the scheduled date, you will be charged a rescheduling fee of \$500 upon our billing. In our sole discretion, we may allow you to reschedule the same training up to 3 times.

Grand Opening Marketing

You are not required to advertise your grand opening. However, we recommend you allocate and spend between \$5,000 and \$10,000 to promote and advertise your grand opening. This amount is paid to us and we or a third party of our choosing will conduct your grand opening marketing.

Failure to Timely Open

If you fail to open your franchise business within 12 months from signing the franchise agreement, due to fault of your own, we may charge you a \$2,500 fee for each month that your franchised business is not open and operational, for up to 6 months in our sole discretion which is due upon our billing.

Area Development Agreement

If you enter into an area development agreement, you must pay the initial franchise fee of \$35,000 for your first unit (to be paid upon signing the franchise agreement for your first unit), and the initial franchise fee is \$25,000 for each additional unit to be developed. You must pay an upfront development fee of \$35,000 for your first unit plus \$12,500 for each additional unit to be developed, which is credited towards the initial franchise fee of each franchise as developed. You will pay the remaining initial franchise fee for each unit as developed, and you must sign our then-current franchise agreement.

Uniformity and Refunds

These costs and fees are uniform and are non-refundable for all franchisees. The amounts payable to us or an affiliate are payable in one lump sum.

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty ¹	6% of monthly gross revenue	Payable monthly to be received by the 15 th of each month	Gross revenue includes all revenue from the franchise business but does not include sales tax or bona fide credits or returns. It also includes proceeds from business interruption insurance and/or eminent domain recovery. We reserve the right to require royalties to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed.
Marketing Fund Fee ^{1,3}	2.5% of monthly gross revenue payable to us	Payable monthly to be received by the 15 th day of the following month	See Note 3.
Successor Franchise Fee ^{1,2}	\$15,000	Prior to your entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time of your timely election to enter into a successor agreement.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Site Selection Support ^{1,7}	Up to \$200 per hour	As incurred	At our discretion, you may be charged this fee if you desire additional support in locating and selecting a site beyond the 14 days provided by us.
Relocation Fee ^{1,7}	\$100 per hour, plus legal fees	Upon billing	Payable if you wish to relocate your business and we agree, you must pay this fee to us in order to defray our costs. You must also bring your new premises up to our then-current standards at your own cost and expense and pay for retraining. You will also be responsible for all food, travel and expenses of our representatives.
Local Marketing Fee ¹	1.5% of monthly gross revenue	Payable monthly to be received by the 15 th day of the following month	See Note 3 below .
Advertising Cooperative ¹	2.5% of gross revenue payable to the co-op, if established by us	Payable in accordance with the advertising cooperative's governing documents	If we form a local advertising co-op in your area, any marketing expenditures you make through the co-op is credited towards fulfilling your local advertising obligation.
Late Charges ^{1,7}	\$25 per day (up to \$500 per month, per instance of late fee and/or late report)	Payable with royalty or upon billing	Charges begin to accrue after the due date of any required payment or report.
Non-sufficient Fund Fees ^{1,7}	\$50 per bounced check or insufficient or disputed draft	Payable with royalty or upon billing	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum).
Interest Charges ^{1,7}	1.5% of the amount owing per month, per instance or maximum rate permitted by state law, whichever is less	Payable with royalty or upon billing	Interest begins to accrue after the due date of any required payment.
Sales or Use Tax ¹	Sum equal to tax imposed	Upon billing	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge ¹	Cost of audit	Upon billing	Payable only if an audit shows an understatement of 2% or more of the amounts owing to us or an affiliate for the period audited, or if records are unorganized or unavailable

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
System Non-Compliance Fines and Charges ^{1,4,7}	\$250 for the first violation; \$300 for the second violation; \$500 for the third and each subsequent violation	As incurred	See Note 4.
Technology Fee ^{1,7}	\$50 per month	Monthly	We reserve the right to increase this fee as our tech stack further develops. If we choose to increase this fee, it will be capped at \$99 per week through 2030; and capped at \$200 per week through 2035.
New Operating Principal or New Manager Replacement Training ^{1,7}	\$250 per day, per person	Before training	Any new operating principal must complete the initial training program before taking over as operating principal or manager. New managers may be trained by your operating principal within 14 days of hire, but we can also require your managers to be trained by us if we believe such training would be in the best interest of your franchise. You must pay all associated travel, food, and lodging for your attendees or our representatives as applicable.
Additional In-Person Training ^{1,7}	\$250 per day, per person	Upon billing	Depending on advanced notice (at least 30 days from you) and our availability, you may request additional in-person training. We can also require you to attend refresher training classes if you are in default, do not pass our inspections or otherwise determined by us in our sole discretion. You must pay all associated travel, food, and lodging of your attendees or our representatives as applicable.
Rescheduling Fee ^{1,7}	\$500	Upon billing	If you postpone or reschedule a training or opening assistance within 14 days of the scheduled date, or if you fail to complete certain requirements prior to a training or opening assistance.
Insurance Reimbursement Fee ^{1,7}	Reimbursement of premium amount, plus \$100 per hour	Upon billing	You are required to hold and maintain your own insurance, but if you fail to do so, we have the right to obtain insurance on your behalf.
PCI and DSS Audit Reimbursement Fee ¹	Costs of the audit	Upon billing	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Early Termination Liquidated Damages ¹	<p><u>For cooperative franchisees: the average royalty from the previous 12 months multiplied by the lesser of 24 months or the remaining term of your franchise agreement</u> <u>If you have less than 12 months of royalty history, the monthly average will be calculated or projected based on your operating history or reasonably projected operations.</u> <u>For non-cooperative franchisees or franchisees who failed to cure any default at termination: the</u> The average monthly royalty calculated or projected based on a 90 day run rate for the remaining term of your franchise agreement.</p>	Within 10 days of termination	<p><u>See Note 8.</u> <u>Payable if your franchise agreement is terminated prior to the expiration of the term. This is only to compensate us for lost royalties and is not our only remedy. For clarity, if there is a gap between the date the franchise business ceases operations and when the franchise agreement is terminated, then the period for calculating the average royalty will be based on the trailing 90-day period from when the franchise business closed (as compared to the date of termination).</u></p>
Post-Termination De-Identification Non-Compliance Fee ^{1,5,7}	\$50 per day, plus reimbursement of our costs	Upon billing	See Note 5.
Post-Termination Fees ¹	Actual Costs	As incurred	You will be responsible for paying us all post-termination expenses, including attorneys' fees and costs to enforce your post-term obligations. This is in addition to your post-termination de-identification compliance fee.
Minority Interest Transfer Fee ¹	Our legal fees and administrative costs related to the transfer	Upon billing	This fee applies to transfers of up to 40% of your franchisee entity-- cumulative during the term of the franchise agreement. All transferee owners of the franchise must personally guarantee the franchise agreement for us to approve the transfer. The transfer fee is subject to state law.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer Review Deposit ¹	\$2,500	At the time of notice of a potential transfer	You must pay us this non-refundable deposit for us to review a proposed transferee. If the transfer is approved, the deposit will be applied towards the applicable transfer fee.
Transfer Fee ¹	\$10,000	At time of approved transfer	Payable when you sell your franchise, substantially all your assets, or a controlling interest in your franchise and prior to our signing any approval or new agreement. All transferee owners of the franchise must personally guarantee the franchise agreement for us to approve the transfer. The transfer fee is subject to state law.
Transfer Training Fee ¹	\$1,500 per person, after first 2 individuals	At time of approved transfer	There is no training fee for the first two individuals attending, but all additional attendees must pay the per person fee. You or the transferee are responsible for paying all travel, lodging, food, and other expenses associated with this training.
Transfer for Convenience Fee	Our legal fees	Within 10 days of notice to you	Payable if you are an individual and transfer the franchise agreement to a corporation or limited liability company formed for the convenience of ownership.
Area Development Agreement Transfer Fees ¹	\$10,000	At the time of approved transfer	The fee includes the transfer of undeveloped units; transferred developed units will incur the franchise agreement transfer fee. Payable when you sell your area development agreement and prior to our signing any approval or new agreement with the transferee. All transferee owners of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Area Development Transfer Training Fee ^{1,7}	\$1,500 per person, after first 2 individuals	At time of approved transfer	There is no training fee for the first two individuals attending, but all additional attendees must pay the per person fee. You or the transferee are responsible for paying for all travel, lodging, food, and other expenses associated with this training.
Indemnification ^{1,2}	Our damages and costs	As incurred or upon billing	See Note 2.
Non-Compete Violations Liquidated Damages ^{1,6}	\$500 per day for each competing business	Upon billing	See Note 6.

increased costs. If a fee is currently \$0, the fee will be capped at \$1,000 through 2035. This only applies to fees that are subject to change by us. If we do not designate that a fee is subject to change, the fee will remain the same during the term of the franchise agreement. Costs charged by third parties are subject to change at any time and do not have an annual cap.

⁸ Early Termination Liquidated Damages. Payable if your franchise agreement is terminated prior to the expiration of the term. This is only to compensate us for lost royalties and is not our only remedy. For clarity, if there is a gap between the date the franchise business ceases operations and when the franchise agreement is terminated, then the period for calculating the average royalty will be based on the trailing 90-day period from when the franchise business closed (as compared to the date of termination). A franchisee will be deemed cooperative if they provide profit & loss statements throughout the term of the franchise agreement and upon request at termination and are not otherwise in default; a non-cooperative franchisee will be a non-communicative franchisee, one who fails to allow us to provide support, failure to provide profit & loss statements, or who has failed to cure after notice of default.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee ¹	\$35,000	Lump sum	Upon signing the franchise agreement	Us
Initial training fee ²	\$0 to \$3,000	Lump sum	45 days prior to training	Us
Travel, lodging, food, and other expenses while training ²	\$150 to <u>\$15,000</u>	As negotiated	Prior to and during training	Airlines, hotels, and restaurants
Real estate improvements ³	\$150,000 to \$300,000	As negotiated	As negotiated	Suppliers and contractors
Rent ⁴ (3 months of rent, plus a security deposit)	\$50,000 to \$150,000	As negotiated	As negotiated	Landlord
Equipment, furniture, fixtures, décor, and supplies ⁵	\$125,000 to \$210,000	As negotiated	As negotiated	Suppliers
POS system, computer hardware, security system and software ⁶	\$10,000 to \$25,000	As negotiated	As negotiated	Suppliers
Signs ⁷	\$30,000 to \$100,000	As negotiated	As negotiated	Suppliers
Miscellaneous opening costs ⁸	\$15,000 to \$25,000	As negotiated	As negotiated	Suppliers, utilities, government departments, etc.
Professional Fees ⁹	\$7,000 to \$18,000	As negotiated	As negotiated	
Insurance Premiums ¹⁰	\$2,000 to \$5,000	As negotiated	As negotiated	Insurance company
Opening inventory ¹¹	\$10,000 to \$15,000	Lump sum	As negotiated	Suppliers

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
<u>Rescheduling Fee</u> ¹²	<u>\$0 to \$1,500</u>	<u>Lump sum per request</u>	<u>With rescheduling request</u>	<u>Us</u>
<u>Failure to Timely Open Fee</u> ¹³	<u>\$0 to \$15,000</u>	<u>Lump sum per month</u>	<u>Monthly upon billing</u>	<u>Us</u>
Advertising ¹⁴ (3 months)	\$5,000 to \$15,000	As negotiated	As negotiated	Us
Additional funds ¹⁵ (3 months)	\$20,000 to \$40,000	As negotiated	As negotiated	Suppliers, employees, etc.
Total ¹⁶	\$459,150 to \$9 <u>7246,5000</u>			

NOTES

¹ Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee. If your operating principal is a veteran, we will offer a 10% discount off the initial franchise fee, contingent upon verification of honorable separation. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

² Initial Training. The range listed is per person with the high only applicable for the individual attending the 56 day apprenticeship training program portion in the event you have 3 additional people (for a total of 6 people) at training and you pay the additional per person fee. We estimate that you will have 3 people attend training and there is no fee for the first 3 attendees, and 1 management-level person attending the apprenticeship training. You are responsible for paying all travel, lodging, food, and other expenses for your attendees during training directly to the supplier (hotels, airlines, restaurants, car rental companies, etc.). These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals, and transportation.

³ Real Estate Improvements. This estimate includes the cost for construction to build out your location according to our specifications and includes architect/engineering fees. Costs of improvements vary based on location, terms of the lease, the total area of your space, as well as construction and material costs. You must hire your own architect and mechanical engineer and we must approve your architect’s plans and renderings. We do not have an estimate for a local architect or engineer. Your landlord may provide you with a tenant improvement allowance as part of your lease, which has not been included as part of these estimates. You should review these costs with a local contractor, commercial real estate agent and other professionals. We provide standard design plans and specifications for construction and improvements. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space.

⁴ Rent. Your space will vary depending on your needs, but we estimate you will need approximately 1200 to 2000 square feet, and we estimate your lease to be \$20 to \$100 per square foot, per annum. Our estimate includes a security deposit and 3 months of rent. You are encouraged to negotiate a rent-free period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above.

⁵ Equipment, Furniture, Fixtures, Décor, and Supplies. Included in this estimate are the cost of kitchen equipment, tables, chairs, lighting, decals, décor, and small wares.

⁶ POS System, Computer Hardware, and Software. Included in this estimate is the cost to purchase or lease the required POS system, subscriptions to all required software, purchase an office computer, and the purchase and installation of a security system.

⁷ Signs. At least 1 exterior sign(s) displaying the trademark and 2 interior signs (including a 4-panel menu board) are required. These signs may be made locally. All signs must conform to our specifications. All purchase agreements or leases must be negotiated with your suppliers. You must use the location's monument or marquee sign if available.

⁸ Miscellaneous Costs. These miscellaneous costs include utility set up fees, deposits, licenses, and other miscellaneous startup costs.

⁹ Professional Fees. These costs include legal fees, business entity organization, and accounting fees. Rates for professionals can vary significantly based on locale, area of expertise, and experience.

¹⁰ Insurance Premiums. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history.

¹¹ Opening Inventory. Opening inventory items include your food and beverage products. The range in cost depends upon the size of your franchise business, as well as estimated initial business volume. This is only an initial supply and will require replenishment on a regular on-going basis based on the volume of sales for your franchise business.

¹² Rescheduling Fee. If you reschedule initial training within 14 days of training, we may charge you \$500 per incident, up to 3 rescheduling requests.

¹³ Failure to Timely Open. In the event you fail to open within 12 months of signing the franchise agreement, we can charge you \$2,500 per month, for up to six months in our sole discretion.

¹²³ Advertising. This estimates the cost of advertising for your grand opening and the first 3 months of operations. We recommend you plan to spend \$5,000 to \$10,000 on your grand opening marketing. If you institute a marketing program or create any marketing materials, we must pre-approve it in writing.

¹⁴³ Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. Employee compensation and staffing levels is between you and your employees and may vary. This estimate includes \$10,000 to \$25,000 to pay up to 8 part-time employees but we do not control or make recommendations about staffing levels or compensation. You must maintain a minimum of \$10,000 in your operating account even after royalties and other required fees to us have been paid or have a \$10,000 line of credit at all times for business emergencies; except that if you do not have the required line of credit, then in any 30-day period, the operating account may have less than such amount for a period of up to 5 days. You are required to provide us with view-only access to your operating account, and you cannot have more than one operating account or change operating accounts without our consent. ~~Employee compensation is between you and your employees and may vary.~~ Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience of our principals in opening and operating Gregorys Coffee® units since 2006 to compile these estimates.

^{1,3,4} Total. These figures are estimates for the development of a single franchise unit. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. You should verify with third-party payees whether such payments, deposits, or fees are refundable or not. ~~If you enter into an area development agreement, then you can expect similar costs for each unit to be developed, but we anticipate you will develop your units over time according to the development schedule rather than all at once.~~

**YOUR ESTIMATED INITIAL INVESTMENT
(3-Restaurant Area Development)**

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Area Development fee ¹	\$85,000	Lump Sum	Upon signing the area development agreement	Us
Estimated initial investment to open three units ²	\$1,272,450 - \$2, 733,812 , <u>050</u> 0	Estimated based on the single unit estimates (minus the initial franchise fee) in the above Item 7 chart for a single unit.		
Total	\$1,357,450 - \$2, 818,087 , <u>500</u>			

Notes:

¹ Area Development Fee. There is no minimum required number of units to develop under the area development agreement. This fee is determined based on the total number of units to be developed for a fee of \$35,000 for the first unit, and half of the \$25,000 initial franchise fee per unit and assumes you will develop three units. When you sign an area development agreement, you must also sign the franchise agreement for your first unit to be developed under the area development agreement.

² Estimated Initial Investment. Except for the initial area development fee, all fees in the above area development, 3-unit chart are based on the single unit estimates, multiplied by three. If you develop more than three units, the fee will be higher.

³ Total. These figures are estimates for the development of three franchise units ~~and we cannot guarantee that you will not have additional expenses starting your development business. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment.~~ We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

**ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing, leasing, or subscribing to certain items or services according to our specifications and/or from approved suppliers. You may not deviate from these methods, standards and specifications or purchase from unapproved suppliers without our prior written consent.



We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from approved suppliers. All currently approved suppliers and specifications are made available to you before the beginning of operations. You must receive our prior written approval to deviate in any manner from our specifications.

Ownership in Approved Suppliers

Some of our officers have an ownership interest in WIO Franchising LLC, Dirty Dough Franchising LLC, Genghis Grill Franchise LLC, Taim Mediterranean Kitchen Franchising LLC, The Budlong Franchise Nevada LLC, Sigri Franchise LLC, BC Licensing LLC, BD’s Mongolian Grill Franchise LLC, The Lucky Cat Poke LLC, Krafted Burgers Franchise LLC, Taffer’s Tavern [Franchise LLC](#), and Fresh Brothers Franchising LLC, each a designated supplier for certain food and beverage products. Additionally, Gregory’s Coffee LLC is the supplier of roasted beans, and certain other beverage and food items.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 10% to 20% of your overall purchases in opening your franchise business and 10% to 20% of your overall purchases in operating your franchise business.

Revenue to Us and Our Affiliates from Required Purchases

We or our affiliates may derive revenue from the sale of goods and supplies sold directly to you, or we may receive a fee or rebate from approved suppliers based off purchases from our franchisees. However, because we are a new franchise, we ~~have no basis from which to gauge the revenue that we or our affiliate may derive~~ [have not received any revenue](#) from franchisee purchases from designated sources.

Non-Approved Suppliers

We do not allow you to submit alternative suppliers to be included on our list of approved suppliers.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand or system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose).

Negotiated Arrangements

At this time, there are no purchasing or distribution cooperatives.

Benefits Provided to You for Purchases

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises based on your purchases).

**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	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 4.1 and 4.2	Item 11

	Obligation	Section in Agreement	Disclosure Document Item
b.	Pre-opening purchases/leases	Section 8.1 and paragraphs 6.1.3, 6.1.11, and 6.1.13	Item 8
c.	Site development and other pre-opening requirements	Sections 4.2 and 4.3	Items 7 and 11
d.	Initial and ongoing training	Paragraph 6.1.4 and sections 7.4 and 7.5	Item 11
e.	Opening	Sections 4.4 and paragraph 7.4.1	Item 11
f.	Fees	Article V of the franchise agreement and Article 4 of the area development agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Sections 4.1 and 6.2, and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III of the franchise agreement and Article 7 of the area development agreement	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16
j.	Warranty and customer service requirements	Paragraphs 6.1.2 and section 8.5	Item 11
k.	Territorial development and sales quotas	Sections 1.1 and 6.8 of the franchise agreement and Sections 2.1 and 3.1 of the area development agreement	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2, and 6.1.9 and 6.2.2(iv)	Item 11
n.	Insurance	Paragraph 6.1.11	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2 of the franchise agreement and Section 6.5 of the area development agreement	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.7, 6.1.8, 6.1.10, 6.1.14 and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5 of the franchise agreement and Section 6.4 of the area development agreement	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iv)	Items 6 and 11
t.	Transfer	Article XIV of the franchise agreement and Article 11 of the area development agreement	Item 17
u.	Renewal	Section 2.2 of the franchise agreement and Section 3.5 of the area development agreement	Item 17
v.	Post-termination obligations	Section 12.1 of the franchise agreement and Article 9 of the area development agreement	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17

	Obligation	Section in Agreement	Disclosure Document Item
y.	Compliance with government regulations	Sections 4.1 and 6.1	Item 12
z.	Guarantee of franchisee obligations	Section 6.3	Item 15

**ITEM 10
FINANCING**

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

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

Except as listed below, Gregory’s Coffee Franchise LLC is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

1. Designate your search area. This is not the protected territory that you will eventually be given but is merely an area within which you may seek a location. Once a site is approved, we will designate your territory [franchise agreement section 1.1].

2. Approve your site. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. We must approve your site before a lease is entered into. We provide up to 14 hours of assistance to help you select your approved site. Our approval is based upon the following general criteria: lease terms, access, appearance, visibility, traffic, general daytime and nighttime population of the area, number of and types of businesses in the territory, parking, square feet, access, and general vicinity. We will provide you with general guidance regarding our standards for selecting a site, but we do not prepare demographic studies or otherwise determine a need for our services or products within your territory evaluate or guarantee the potential success of your proposed site. Site approval or disapproval should be completed by us and notice provided to you in writing within 30 days or less after you have submitted a proposed site for our review. We do not own properties that we lease to you, ~~and we do not assist you in negotiating the purchase or your lease of your site.~~ If you and we disagree about the proposed location, you must locate another acceptable site for your franchise business and repeat the process [franchise agreement section 4.1]. If you enter into an area development agreement, we must approve of the site for each of your units. Our approval or disapproval of a proposed site will be based on our then-current standards for approving sites. Until you receive our written approval, you have no rights to any particular location.

3. Make available general written specifications for necessary equipment, signs, fixtures, opening inventory, supplies and other items listed in Item 8. Unless we are an approved supplier of an item and you purchase the item directly from us, we do not provide these items to you directly, but we do provide you with the names of the approved suppliers for these items. We do not assist in the installation of any item. For purchase, delivery and installation, you are required to work directly with the manufacturer or supplier of these items [franchise agreement sections 7.1, 7.2 and 8.5].

4. Provide you preliminary design/layout plans for your franchise business. You must adapt your franchise business to our general specifications at your own expense, in accordance with local, state and federal laws, rules and ordinances. You are responsible for obtaining any required licenses and permits [franchise agreement section 4.3 and 7.1].
5. We do not assist in the actual construction, remodeling, or decorating of your franchise business [franchise agreement section 4.3].
6. Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The table of contents for the operations manual is included as Exhibit “F” to this disclosure document. Our operations manual is approximately 125 pages [franchise agreement article IX].
7. Provide an initial training program for your operating principal and other owners and managers, described at the end of this Item 11 [franchise agreement paragraph 6.1.4].
8. Provide you with 14 days of assistance at or prior to the opening of your franchise business. We will not send our representatives to provide you with opening assistance until you: 1) send us a valid certificate of occupancy; 2) have sufficient staff hired; 3) obtain all necessary permits to operate the business; and 4) confirm that all necessary equipment has been installed and is functioning properly [franchise agreement paragraph 7.4.1].

Lease, Construction and Commencing Operations

You will have 180 days to have a site approved and your lease signed for your franchise business [franchise agreement sections 4.1 and 4.2]. If you and we cannot agree on a site, we may, in our sole discretion, provide you with an additional 30 days to locate a proposed site and all other deadlines will be extended by 30 days. After any provided extension iff you and we cannot agree on a site, your franchise agreement may be terminated. We do not assist you in negotiating the purchase of your lease; however, we must approve your lease. If we review your lease, our review may be limited to adherence to our requirements rather than a review of the underlying terms of the lease. Additionally, you are required to include our standard consent to assignment and lease rider which are attached to the franchise agreement as part of your lease. You must deliver a copy of the lease with the signed lease rider to us within 15 calendar days after execution [franchise agreement section 4.2; Exhibit “A-6” and Schedule “A-6.1”].

Construction must be started within 60 days of the date of the lease and be completed within 4 months from the date of the lease [franchise agreement section 4.3].

You are required to begin operations within 1 month after construction is complete and no later than 1 year from the date of signing the franchise agreement. You must give us at least 30 days prior written notice before opening your franchise business [franchise agreement sections 4.3 and 4.4]. You must have a certificate of occupancy at least one week prior to the date of our scheduled opening assistance [franchise agreement paragraph 7.4.1].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 180 days to one year. Factors affecting this length of time usually include obtaining a satisfactory site, financing arrangements, construction, local ordinance compliance, training, and delivery and installation of furniture, fixtures, equipment, signs, supplies, and opening inventory items.

If you can show a good faith effort to meet these deadlines, we may agree to extend a specific deadline at our discretion. If you fail to open your franchise business within 12 months from signing the franchise agreement, due to fault of your own, we may charge you a \$2,500 fee for each month that your franchised business is not open and operational [franchise agreement section 4.6]

Assistance During Operation

During the operation of your franchise business, we will:

1. Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of or change in products and services [franchise agreement section 9.1]. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify [franchise agreement paragraph 6.2.2(iii)].
2. At your reasonable request or at our discretion, provide assistance either remotely or in person [franchise agreement paragraph 6.1.4 and section 7.3].
3. Provide you with a required email format which must be used in all correspondence and communications involving your franchise business. We have the right to access any email account that we provide to you. You are not allowed to use a non-approved email for business purposes involving the franchise business. You must at all times maintain and frequently check a valid and approved email address, known and available to us, to facilitate our communication with you [franchise agreement paragraph 6.2.2(i)].

During the operation of your franchise business, we may:

4. Maintain a website or similar electronic media for the Gregorys Coffee® brand that will include your business information and telephone number for your franchise business [franchise agreement section 7.6].
5. Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. Inspections may be conducted without prior notice to you. Upon our request, at all reasonable times, you must provide us with video and/or digital images of the interior and exterior of your franchise business as set forth in the manuals [franchise agreement paragraph 6.2.2(iv)].
6. Conduct conferences and seminars, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. At this time attendance at conferences and seminars is not mandatory for your operating principal but this policy may change in the future, and you are required to pay the registration fees, travel, and living expenses for your attendees. In-person conferences and seminars will be held at various locations chosen by us [franchise agreement paragraph 6.1.14].
7. Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.5].

8. For items purchased through third parties, you must work directly with the supplier or manufacturer of those items regarding warranties, defective products, training and support [franchise agreement section 8.5].

9. At your expense, require you to repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish your premises from time to time as we may reasonably direct, but not more often than every 5 years, and we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement (except for required changes to the trademarks, or changes due to health or government mandates, guidelines, or public concerns which we may require at any time). This can include changing out items such as flooring, wall treatments, signage, lighting fixtures, and other physical elements of your franchise business. We may also require you to invest in new or updated equipment, fixtures, furniture, and technology at any time. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement [franchise agreement section 6.1.9]. You must also make these updates if you relocate your franchise business. You must implement all changes within the time frames required by us.

10. Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(iii)].

11. To the degree permitted by law, we may suggest retail prices and specify maximum and minimum pricing above and below which you cannot sell any goods or services [franchise agreement paragraph 6.1.12].

Advertising and Promotion

You are required to participate in all marketing programs as directed by us and to use all materials, mediums, and other information made available to you in doing so.

We may provide you with copies of marketing materials developed by us and provide new marketing techniques as developed [franchise agreement section 10.3]. You may develop marketing materials for your use, at your cost, but all marketing material developed or used by you must have our prior written approval. ~~Any marketing materials or concepts you create becomes our property and will be considered a “work-made-for-hire” that can be used by us and other franchisees without compensation to you.~~ If you do not receive written approval or disapproval within 14 days of the date we received your submission of marketing materials, the materials submitted are deemed unapproved. We can revoke our approval of any marketing materials at any time in our sole discretion [franchise agreement sections 3.9 and 10.3 to 10.4].

Advertising Fund

Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system or to spend any amount on advertising in your territory, we have the right to and currently do maintain and administer a national advertising, marketing and development fund (referred to as the “Marketing Fund” in the franchise agreement) for local, regional or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system [franchise agreement section 10.1].

You must contribute 2.5% of your monthly gross revenue to the Marketing Fund. We and our affiliates do not contribute to this fund on the same basis as the franchisees. Contributions by our franchisees to the marketing fund may not be uniform [franchise agreement section 10.1].

We are responsible for administering the Marketing Fund, but we are not a fiduciary or trustee of the Marketing Fund. We will direct all uses of the fund, with sole discretion over: 1) the creative concepts,

Security System

You are required to use a security system to protect your franchise business. We do not designate a specific type of security system or a specific brand you must use, but you must have both inside and outside cameras, and the security system must have the ability to record and store data for at least 30 days. We have the right but are not required to designate the number of cameras. You are required to provide us with notice of its installation. We estimate the cost of such system to be between \$800 and \$5,000 for initial installation, and depending on the number of cameras, an ongoing cost of approximately \$50 to \$175 per month [franchise agreement paragraph 6.1.13(v)].

Area Development Agreement

Your rights under the area development agreement are territorial only and do not give or imply a right to use our trademarks or system. Our only obligation is to provide an area where you must develop the set number of Gregorys Coffee® franchise businesses provided in the area development agreement. We must approve the potential site for each franchise business location before you may sign a lease for that location. Our approval will be based on our then-current standards for approving sites [area development agreement article 2; franchise agreement section 1.1].

Initial Training

We provide an initial training program. The initial training program is held at a Gregorys Coffee® certified training location in the New York Metro Area, or another location designated by us. The length of training depends on the prior experience of your attendees but should last a minimum of 14 days (each day is defined as a 10-hour work day). The training program is held as needed [franchise agreement paragraph 6.1.4].

Your “operating principal” is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us. The operating principal must also be involved with the business as described in Item 15 [franchise agreement Article XXI].

Your operating principal and your manager are required to attend and successfully complete the training program. Successful completion of training must be completed 45 days before you may open your franchise business. Successful completion will be determined by our trainers and is based on your attendees’ knowledge and demonstration of competency in the various aspects of operating a Gregorys Coffee® franchise business.

In addition, and as part of your initial training, at least one management-level employee (may be your operating principal at your discretion) is required to attend a pre-opening apprenticeship where you will spend 56 days in an operating Gregorys Coffee business in the New York Metro area or an approved franchise location. Upon our approval, you may split time for this apprenticeship program in multiple locations. During this training you will be responsible for your travel, food, lodging and other expenses. If you enter into an area development agreement or open a subsequent location, you can apply for a waiver to this apprenticeship program if the manager for the subsequent location can demonstrate mastery of the Gregorys Coffee system.

There is no training fee for up to 3 people to attend training, but we charge a training fee of \$1,000 per additional person trained (up to 3 additional people). You are responsible for paying all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, car rental companies, etc.) The estimated per person cost for your attendees to attend the initial training is

between \$150 and \$1,500 and up to \$15,000 for the apprenticeship portion [franchise agreement paragraph 6.1.4].

Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM¹

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Accounting & Insurance	2	0	NY Metro or another location we designate
Preparing to Open	2	2	NY Metro or another location we designate
Personnel & Training	3	0	NY Metro or another location we designate
Items Offered for Sale	2	2	NY Metro or another location we designate
Preparation of Products	2	14	NY Metro or another location we designate
Daily Operations	3	20	NY Metro or another location we designate
Paperwork & Controls	2	3	NY Metro or another location we designate
Evaluation & Compliance	2	2	NY Metro or another location we designate
Cleaning & Maintenance	1.5	10	NY Metro or another location we designate
Security & Safety	1	0	NY Metro or another location we designate
Promoting & Marketing	2.5	3	NY Metro or another location we designate
<u>Apprenticeship Training Program</u>	<u>0</u>	<u>448</u>	<u>NY Metro or an approved franchise location</u>
Totals	23	<u>5046</u>	

¹ The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Cassie Miller	All	Since 2010	Since 2023	Vice President of Training and Operations Support, Certified Hospitality Trainer

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
				(CHT) through the American Lodging and Hotel Education Institute (ALHEI)
Mario Martinez	All	Since 2005	Since 2010	Operations Support Manager and Regional Director

Materials Provided at the Initial Training

We will provide access to our manuals during the initial training and other handouts to facilitate training. All attendees at any training must sign a non-disclosure agreement acceptable to us before attending the training.

Replacement Training

Any new operating principal must complete the initial training program prior to taking over as the operating principal. New managers may be trained by your operating principal, and the training must be completed within 14 days of hire or taking over management responsibilities, but we can also require your managers to be trained by us or require that they participate in our apprenticeship program if we reasonably believe such training would be in the best interest of your franchise. Our fee for this additional training is currently \$250 per person, per day. You will also be responsible ~~to~~ for covering the cost of travel, food, and lodging for your attendees or our representatives (as applicable) [franchise agreement paragraph 6.1.4(i)].

Additional Trainings

Depending on availability and 30 days' advanced written notice, if you would like additional in-person training, we may provide this training to you, or we may have such additional training provided by a qualified franchisee. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require your operating principal and/or other key personnel to attend additional trainings if you are in default, do not pass an inspection, or if we reasonably believe such training would be in the best interest of your franchise. Our fee for additional training is currently \$250 per person, per day, and you will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives for additional trainings [franchise agreement paragraph 6.1.4(ii)].

Professional Development

We have the right to require that you hire or engage our designated business coach or professional development firm at your own expense. We will not require you to engage in professional development more than once every 5 years [franchise agreement paragraph 6.1.4(iv)].

At this time, other than listed above, no additional trainings or refresher courses are required.

**ITEM 12
TERRITORY**

Non-Exclusive Territory

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

Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks at a specific location within your territory, the boundaries of which will be negotiated prior to signing the franchise agreement and are described in the franchise agreement.

Size of Your Territory

The specific size of your territory is set by us based upon the population density, the business base in the territory, whether your location is in a metropolitan or rural area, and other comparable factors. The size of a franchise territory is usually up to 2 driving miles from the franchise location in all directions and have a minimum population base of approximately 30,000 people. Densely populated areas will have different territory restrictions and will be negotiated on a case-by-case basis. The territory may also be smaller based on demographics and geographical boundaries. If your franchise business is located within a shopping mall or similar facility with a captive market, your territory may be limited to the physical boundaries of the mall or facility. The written boundaries of your territory will be included in your franchise agreement. In determining the total population within your territory, we generally consult the United States Census estimate, available via the Internet website located at census.gov/quickfacts.

Adjustment of Territory Boundaries

We have the right, in our sole discretion, to adjust the boundaries of your territory for increases of more than 50% as demonstrated by demographic data available to us at the time of the territory adjustment. In such case, we may readjust the boundaries of your territory, but any adjustment will not result in your territory having less than your original population base. We also have the right to adjust the boundaries of your territory based on inadvertent error in the creation of your territory, or in an effort to more accurately reflect the target market population after your premises location has been selected and approved, ~~or for other reasons that we may specify from time to time in the manuals.~~

Territory Restrictions

You are restricted to operations from the approved franchised premises and may not, without our prior written approval, open or operate another outlet whether inside or outside the territory.

Relocation

You do not have the automatic right to relocate your franchise business, and we have the right to deny any relocation request. You must obtain our prior written permission if you want to relocate your franchise premises, and you must also be able to demonstrate to us that you have the financial ability to relocate. Approval to relocate is determined on a case-by-case basis and is based on factors such as your operational history, our then-current criteria used in approving a new franchisee's proposed site, and other factors that are relevant to us at the time of the relocation request. You must reimburse us our costs associated with reviewing and approving the new territory or site at a cost of \$100 per hour for costs associated with updating documentation, reviewing new sites, and editing our website and promotional materials, plus any legal fees associated with the relocation. Additionally, prior to opening your new location, you will be required to pay for two of our representatives to visit your new premises for up to two days and you must pay our then-current fee for additional in-person training. You will also be responsible for the transportation, food and lodging for each representative.

Minimum Sales Requirement

Your franchise agreement is dependent upon achievement of a minimum sales volume, market penetration or other contingency. Specifically, you must achieve \$350,000 in annual gross revenue starting after 6 months of operations. The first year's minimum sales volume requirement will be based on average run rate based on the last 6 months of the first year. Failure to meet this requirement may result in the creation of a sales performance plan with us in which you will be given a period of time in which to increase sales to achieve this requirement or face possible termination of the franchise agreement.

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

Area Development Agreement

	Provision	Area Development Agreement	Summary
a.	Length of the Area Developer Agreement	Sections 3.1, 3.6 & Exhibit B	The term depends on the number of units you will develop.
b.	Renewal or extension of the term	Not Applicable	At our discretion, and upon paying a fee you may be granted a one-time extension to meet the terms of your development schedule. There are no rights to renew.
c.	Requirements for developer to renew or extend	Not Applicable	See above (subject to state law).
d.	Termination by developer	Not Applicable	Rights to terminate are subject to state laws.
e.	Termination by franchisor without cause	Not Applicable	We must have cause to terminate the area development agreement.
f.	Termination by franchisor with cause	Section 8.1	We can terminate only if you are in default of your agreement.
g.	“Cause” defined – curable defaults	Paragraphs 8.1.2, 8.1.3 and 8.1.4	You have 5 to 45 days to cure certain material defaults of the area development agreement.
h.	“Cause” defined – non-curable defaults	Paragraph 8.1.1	Non-curable defaults: insolvency, repeated defaults even if cured, abandonment, your obligations under the area development agreement; if you, for 4 consecutive months, or any shorter period that indicates an intent by you to discontinue your development of units within the development area, and termination of any of your franchise agreements, etc.
i.	Developer’s obligations on termination/non-renewal	Article 9	You may continue as a franchisee pursuant to your signed franchise agreements. In the event we terminate your area development agreement, you may continue to own and operate all units that you have developed and that are faithfully performing under the terms of the franchise agreement.
j.	Assignment of contract by franchisor	Article 10	No restrictions on our right to assign.
k.	“Transfer” by developer - defined	Article 10	Includes assignment and transfer of contracts, security interests and ownership change.
l.	Franchisor approval of transfer by developer	Article 10	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Article 10	You are not in default, the transferee is trained and signs our then-current area developer agreement, and a release signed by you.

	Provision	Area Development Agreement	Summary
n.	Franchisor's right of first refusal to acquire developer's business	Article 10	Not applicable.
o.	Franchisor's option to purchase franchisee's business	Article 10	We do not have the option to purchase your business assets upon termination or expiration of the area development agreement.
p.	Death or disability of developer	Article 11	The heirs or personal representative will have the right to continue to fulfill the area developer's obligations under the agreement; provided that a personal representative be approved or area development agreement must be assigned to an approved buyer within a reasonable time, not to exceed 180 days (subject to state law).
q.	Non-competition covenants during the term of the Area Developer Agreement	Article 11	No involvement in a competing business. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the developer is terminated, transferred or expires	Article 11	No competing business for 2 years within your <u>former</u> development area, or within 50-25 miles of your development area or within 5 miles of another then-existing Gregorys Coffee® franchise or company or affiliate owned business (including after assignment). If you compete within the restricted time period then this non-compete time period will be tolled and extended for the period of your competition. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your area development agreement, you cannot, on your own behalf or on behalf of a competing business solicit, divert or attempt to divert any business or customer from us, an affiliate, or our franchisees, or injure our goodwill.
s.	Modification of the agreement	Article 11	Modifications must be made in writing and signed by both parties; policies and procedures are subject to change by us.
t.	Integration / merger clause	Article 11	Only the terms of the area developer agreement are binding (subject to state law). Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits and amendments. Any representations or

Total Chain	47	\$193,037	\$1,602,042	\$853,755	\$822,667	42.6%
In-Line	32	\$240,171	\$1,602,042	\$975,638	\$1,016,476	53.1%
Drive-Thru	1	\$1,408,509	\$1,408,509	\$1,408,509	\$1,408,509	N/A
Malls	14	\$193,037	\$982,709	\$535,565	\$461,006	42.9%

NOTES:

1. “Revenue” means the total dollar amount of all sales generated by an outlet for a given period, including payment for any services or products sold, whether for cash or credit and the value of any services bartered or done on trade. Revenues do not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in revenue).
2. “Average” means the sum of all data points in a set, divided by the number of data points in that set.
3. “Median” means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by 2.

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

~~The financial performance representations do not reflect the costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.~~

The information in this Item 19 was taken from financial statements from our company owned locations. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Gregory’s Coffee Franchise 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 Gregg Majewski at 755 Schneider Drive, South Elgin, Illinois 60177; (847) 608-8500, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2025	1	1	0	0	0	2
Total	2023	33	3	0	0	0	36
	2024	36	16	0	0	0	52
	2025	52	4	0	5	0	51

**Table No. 5
Projected Openings as of January 1, 2026**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
New Jersey	2	0	2
Total	2	0	2

List of Franchisees

Exhibit “C” contains a list of our current franchisees. This is a new franchise offer, and no franchises were sold, transferred, terminated, not renewed, reacquired or left the system at time of preparation of this disclosure document. If you buy this franchise, your contact information and financial information may be disclosed when you leave the franchise system.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

Confidentiality Agreements

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system that is required to be disclosed in this Item.

**ITEM 21
FINANCIAL STATEMENTS**

We are a start-up franchise. Our ~~reviewed~~-audited balance sheet dated January 27, 2026, is attached as Exhibit “B.” Our fiscal year ends on December 31 of each year. The franchisor has not been in business for 3 years or more and cannot include all the financial statements required by the Rule for its last 3 fiscal years.

**ITEM 22
CONTRACTS**

We have attached the following contracts: as Exhibit “A,” the Franchise Agreement and its Exhibits; including Exhibit “A-10” as the Franchisee’s Report; as Exhibit “G,” the Area Development Agreement; as Exhibit “H,” the Form Release Agreement; and as Exhibit “I” the Proof of Concept Acknowledgement.

10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. Our website at www.theGregorysCoffee.com/ has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

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

14. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

15. 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.

16. Franchisee owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place you and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

17. Item 5 is amended to include the following:

"The Department has determined that we, the franchisor, have not demonstrated that we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open."

~~17~~18. Item 6 under Late Fees is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

~~18~~19. 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.

~~19~~20. We do not have a federal trademark registration for our principal logo. Therefore, such trademark does not have as 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.

~~20~~21. Mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor’s business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

~~21~~22. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable

**ADDENDUM TO THE FDD
FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement(s).

ITEM 5 of the Disclosure Document is amended to add the following: Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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

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

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

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
 5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.
 6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.
 7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
 8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchisee.
- 8.9. Items 5 and 7 of the Disclosure Document is amended to add the following: “Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the Franchise Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.”

Franchisee (Signature)

**STATE REGULATIONS
FOR THE COMMONWEALTH OF VIRGINIA**

The following Risk Factor is added:

Estimated Initial Investment. The franchisee will be required to make an initial investment ranging from \$459,150 to \$946,000. This amount exceeds the franchisor's stockholder's equity as of January 27, 2026, which is \$0.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, any 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.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Gregory's Coffee Franchise LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and area developer 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.

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

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Deferral of all Initial Franchise Fees and Development Fees. The franchisor will defer collection of all initial franchise fees until the franchisor has fulfilled its pre-opening obligations to the franchisee and the franchisee is open for business. The development fee will be prorated such that the franchisee will pay the franchisor the development fee proportionally upon the opening of each franchise unit.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

RECEIPT
(Franchisee's 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 Gregory's Coffee Franchise 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, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Gregory's Coffee Franchise 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 state administrator listed in Exhibit "E." Gregory's Coffee Franchise LLC authorizes the respective state agencies identified on Exhibit "D" to receive service of process for it in the particular state.

Gregory's Coffee Franchise LLC is located at 755 Schneider Drive, South Elgin, Illinois 60177. Its telephone number is (847) 608-8500.

The issuance date of this disclosure document is February 3, 2026, as amended ~~February 18~~ April 13, 2026.

The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
Gregg Majewski	755 Schneider Drive, South Elgin, Illinois 60177	(847) 608-8500

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

I received a disclosure document dated February 3, 2026, as amended ~~April 13~~ February 18, 2026, that included the following Exhibits:

A.	Franchise Agreement and Exhibits	F.	Table of Contents, Operations Manual
B.	Financial Statements	G.	Area Development Agreement
C.	Schedule of Franchisees	H.	Release Agreement (Form)
D.	List of Agents for Service of Process	I.	Proof of Concept Acknowledgement
E.	List of State Agencies Responsible for Franchise Disclosure and Registration Laws	J.	Signing Checklist

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____
(If signing on behalf of a company)

Name: _____
(Print name)

Please keep this copy for your records.

RECEIPT
(Franchisor's 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 Gregory's Coffee Franchise 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, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Gregory's Coffee Franchise 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 state administrator listed in Exhibit "E." Gregory's Coffee Franchise LLC authorizes the respective state agencies identified on Exhibit "D" to receive service of process for it in the particular state.

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E.	List of State Agencies Responsible for Franchise Disclosure and Registration Laws	J.	Signing Checklist

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____
(If signing on behalf of a company)

Name: _____
(Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to Gregg Majewski at 755 Schneider Drive, South Elgin, Illinois 60177, or by emailing it to franchise@craveworthybrands.com.

GREGORYS COFFEE®
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into and made effective as of _____ by and between GREGORY’S COFFEE FRANCHISE LLC, a Nevada limited liability company (“Franchisor” or “We,” “Us” or “Our” as further defined in Article XXI below) and _____ (“Franchisee” or “You” or “Your” as further defined in Article XXI below).

WHEREAS, We have developed or have been licensed a system for the operation of a coffee shop known as Gregorys Coffee® or “Gregorys Coffee®”, utilizing the Marks and System, and offering to the public a coffee shop serving coffee, tea, pastries, and other related food and beverage products and services (“Franchise Business”); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I
AWARD OF FRANCHISE

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable, personal right to establish and conduct a Franchise Business as a Gregorys Coffee® franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only at a single location approved by Us (“Premises”) within Your Territory listed on Exhibit “A-1” (“Territory”). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Agreement and the Manuals.

1.1.1 Territory Rights. You understand that We have the right to establish and/or operate traditional and non-traditional Gregorys Coffee® outlets within the Territory using the same or similar System as that licensed by this Agreement.

1.1.2 Territory Adjustment. We have the right to adjust the boundaries of Your Territory if the population in Your Territory increases by 50% or more as measured from the date of this Agreement. In such case, any adjustment will not result in Your Territory having less than a population base of approximately 30,000 people. We also have the right to adjust the boundaries of Your Territory based on inadvertent error in the creation of Your Territory, or in an effort to more accurately reflect the target population after Your Premises have been selected and approved, ~~or for other reasons that We may specify from time to time.~~

1.1.3 Catering. You have the right to provide catering services within Your Territory and in contiguous areas outside of Your Territory so long as the quality of the coffee, food, and catering service is not compromised and only if the area has not been awarded to another franchisee. You must provide Us with written notice each time You cater outside of Your Territory. No course of conduct of providing catering services outside of Your Territory will be construed as expanding Your Territory. However, if another franchisee has been servicing a business outside Your Territory, You are not allowed to solicit catering services from that business. You further understand and agree that if an area outside of Your Territory is later sold to another franchisee or an affiliate of Ours, You will no longer be able to service such home delivery or catering

to impose or not to impose a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

5.10 Technology Fee. You shall pay Us the Fee listed in Exhibit “A-3” for utilization of Our technology suite. We can designate that You pay all or a portion of this Fee directly to the supplier.

ARTICLE VI FRANCHISEE’S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements, and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You are solely responsible for ensuring compliance with all applicable laws, ordinances, and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You must also comply with federal, state, and local health and consumer protection laws and regulations governing the food service industry and concerning food preparation, handling, storage, truth in menu laws concerning menu item names and product labeling, nutritional claims, and local labor regulations, Including minimum age and minimum wage laws.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business.

6.1.2 Appearance; Customer Service. You shall establish and maintain the Premises in a clean, attractive, and repaired condition; perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices, and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain, and enhance the reputation and goodwill of Our System. You are solely responsible for the safety and well-being of Your customers. You must promptly respond to all complaints received from Your customers or other individuals and to resolve the complaint in a reasonable business-like manner. If You do not respond to the complaint in a manner We deem sufficient to preserve the goodwill of the brand, We may (but are not required) to address the customer’s complaint to preserve goodwill and prevent further damage to the Marks, and You must reimburse Us for any costs We incur to resolve a complaint, Including providing refunds. Nothing in this Section or in any other provision of this Agreement is to be construed to impose liability upon Us to any third party for any of your actions or obligations. We reserve the right to require that Your Personnel comply with any dress code, Mark, or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture, and décor of the Franchise Business in strict compliance with the format recommended or required by Us.

6.1.3 Signage. You must have the number of interior and exterior signs as required by Us and according to Our specifications. All signs to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You shall maintain all signs in good condition and undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You are required to use the location’s pylon/pole or monument sign, if available. You understand and acknowledge that although You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal and Your designated managers, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least 45 days prior to opening Your Franchise Business. Training will take place in two parts: the first will ~~The length of~~

~~training is~~ generally last 14 days (each day is defined as a 10 hour work day) but could be longer if Your Operating Principal or Your designated manager fails to successfully complete the training. Successful completion will be determined by Our trainers but may Include demonstrating knowledge of basic techniques, knowledge of policies and procedures, food preparation and assembly, daily operations, record keeping, computer system competency, Marketing, and customer service. Failure to successfully complete training is a default of this Agreement. There is no training fee for up to three attendees. We also allow up to three additional persons to attend the initial training. The cost for additional trainees to attend the initial training is listed in Exhibit “A-3” and is payable 45 days prior to the scheduled training. Each person must attend the same training session. The second is a 56-day apprenticeship training. At least one management-level person (who can be Your Operating Principal at Your discretion) must attend and participate in the apprenticeship training which will take place at a corporate or approve franchise location. You can split Your apprenticeship between multiple approved locations. If You open a subsequent Gregorys Coffee® location, You may apply for a waiver to the apprenticeship program if Your subsequent location’s manager can demonstrate mastery of Our System. You must cover the travel, food, and lodging costs as well as compensation for Your attendees during all portions of initial training.

(i) Replacement Training. Any new Operating Principal must complete the initial training program prior to taking over as the Operating Principal. New managers must be trained within 14 days of hire and may be trained by Your Operating Principal, but We can also require Your managers to be trained by Us or require that they participate in Our apprenticeship program if We reasonably believe such training would be in the best interest of Your Franchise Business. Our Fee for this training is listed on Exhibit “A-3.” You must also cover the travel, food, and lodging for Your attendees or Our representatives, as applicable.

(ii) Additional In-Person Training. Depending on availability and with at least 30 days advanced written notice from You, if You would like additional in-person training, We may provide this training to You. We have the right in Our sole discretion to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key Personnel to attend additional trainings if You are in default, if You do not pass Our inspections, or if We reasonably believe such training would be in the best interest of Your Franchise Business. Our current Fee for additional training is listed in Exhibit “A-3.” For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

(iii) Additional Training. You are required to participate in all other training programs as may be specified by Us from time to time for which a Fee may be charged. See Exhibit “A-3.”

(iv) Professional Development. We have the right to require that You hire or engage Our designated business coach or professional development firm (“Professional Development”). In such event, You would be required to contract directly with Our designated service provider within 30 days of Our notice to You of this requirement and make all required payments directly to the service provider. We will not require You to engage in Professional Development more than once every five years. All Professional Development services will be governed by the service provider. In the event You fail to make any payment, We have the right to debit Your Operating Account and make the payments on Your behalf.

(v) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending a training.

(vi) Rescheduling Fee. You shall pay Us the rescheduling Fee listed in Exhibit “A-3” if You cancel, postpone, or reschedule any training or assistance within 14 days of the scheduled date, or if You fail to complete certain requirements prior to a training.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You shall make the Premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations. If You fail to make the Premises available to Us, You will be assessed the daily de-identification fee along with the expense incurred by Us to enforce Our rights under this paragraph.

12.5 Early Termination Liquidated Damages. If this Agreement is Terminated, other than for an approved Transfer, non-renewal, or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the formula listed on Exhibit “A-3” as a compromise on the calculation of such damages. Exhibit “A-3” contains two options for these early termination liquidated damages. The first is for cooperative franchisees, and the second is for non-cooperative franchisees. You will be deemed cooperative if You provide timely profit & loss statements throughout the term of this Agreement and upon request at termination, and are not otherwise in default; You will be deemed non-cooperative if You fail to timely communicate with Us at any time or You are non-communicative, You fail to allow Us to provide support, You fail to timely provide profit & loss statements even upon request, or You have failed to cure after notice of default. You and We agree that such amount will be reduced to the present value of such payments as of the date of Termination utilizing an interest rate of 5% compounded annually.

12.5.1 Payment of Our Costs in Securing Compliance. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations, We may hire a third party or use Our own personnel to de-identify Your Premises and/or to carry out any other post-termination obligations on Your behalf, for which costs You will be responsible. These costs will Include any attorneys’ fees and costs incurred and associated with enforcing Your post-termination obligations Including to obtain injunctive or other relief. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. Your reimbursement of Our costs will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete. In addition to the above, in the event You fail to modify Your Premises, including failure to fully de-identify as a Gregorys Coffee Franchise Business, You will be charged \$50 per day. To ensure We will be able to recover Our costs, We have the right, and You agree, that We will be allowed to automatically deduct up to \$5,000 as a deposit from Your operating account when We learn of Your non-compliance with Your obligations under this Article. We will return the remaining amount, if any, within 30 days of Our completing the applicable post-termination obligations.

12.6 Additional Equitable Remedies. The amount contemplated under Section 12.5 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.5 does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.

12.7 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

	through 2030; capped at \$200/week through 2035		
Additional Trainees at Initial Training ¹	\$1,000 per person, plus travel, lodging, food	See Paragraph 6.1.4	45 days prior to training
Replacement Training ¹	\$250 per day / per person, plus travel, lodging, food	See Paragraph 6.1.4(i)	Prior to training
Additional In-Person Training ¹	\$250 per day/ per person, plus travel, lodging, food	See Paragraph 6.1.4(ii)	Prior to training or upon billing
Rescheduling Fee ¹	\$500	See Paragraphs 6.1.4(vi) and 7.4.1	Upon billing
Insurance Reimbursement Fee	Premium costs	See Paragraph 6.1.11(ii)	Upon billing
Administrative Fee ¹	\$100 per hour	See Paragraph 6.1.11(ii)	Upon billing
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.13(iv)	Upon billing
Conference and/or Seminar Fee ¹	Currently \$0	See Paragraph 6.1.14	At time of registering for the conference or seminar
Compliance Inspection Fee ¹	\$250 per hour	See Paragraph 6.2.2(iv)	Upon billing after inspection
Interim Management Fee ¹	\$250 per person/per day	See Paragraph 6.2.3 and Section 14.10	Time of service
Replacement Costs ¹	Our costs, plus \$100 per hour for our time	See Section 8.4	Within 15 days of invoicing
Physical Copies of Marketing Materials ¹	Our reasonable costs, plus 10%, and the costs for shipping and handling	See Section 10.3	At time of ordering
Marketing Materials Creation Assistance ¹	\$100 per hour	See Section 10.3	Upon billing
Fees on Default	Our costs associated with Your default	See Paragraph 11.3.2	Upon billing, as incurred
Prepaid Services Reimbursement Fee	Amount of unfulfilled Prepaid Services paid to You	See Paragraph 12.1.11	Upon billing
Early Termination Liquidated Damages	<u>For cooperative franchisees: the average royalty from the previous 12 months multiplied by 24 months or the remaining term of this Agreement if there are less than 24 months remaining on this Agreement. The average monthly royalty. If You have less than 12 months of royalty history.</u>	See Section 12.5	Within 10 days of Termination

	<p><u>the monthly average will be calculated or projected based on Your operating history or reasonably projected operations. For clarity, if there is a gap between the date Your Franchise Business ceases operations and when this Agreement is terminated, then the period for calculating the 12-month average royalty will be based on the trailing 12-month period from when the Franchise Business is closed (as compared to the date of termination).</u></p> <p><u>For non-cooperative franchisees or franchisees who failed to cure any default at termination: the average monthly royalty calculated or projected based on a 90 day run rate for the remaining term of ealeulated or projected based on a 90 day run rate for the remaining term of this Agreementyour franchise agreement.</u></p>		
Post-Termination De-Identification Non-Compliance Fee ¹	\$50 per day	See Paragraph 12.5.1	Upon billing
Post-Termination Fees	Actual Costs	See Paragraph 12.5.1	As incurred
Minority Interest Transfer Fee	Legal and corporate fees and costs incurred	See Section 14.3	Upon billing
Transfer Review Deposit	\$2,500	See Section 14.6	At time of notice of a potential transfer
Transfer Fee	\$10,000	See Section 14.6	At time of approved transfer
Transferee Training Fee	\$1,500 per person after the first 2 individuals, plus travel, lodging, food for all attendees	See Paragraph 14.8.5	At time of approved transfer
Transfer for Convenience Fee	Our legal fees	See Section 14.13	Within 10 days of notice to You
Indemnification	Varies	See Section 15.2	As incurred or upon

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

10. Franchise owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."

12. Paragraph 4.1 is amended to remove the following language, "Although We must approve of Your site, We do not warrant or guarantee the success of the site."

13. Section 5.1 of the franchise agreement is amended to include the following:

"Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee is open for business."

~~13.14.~~ Paragraph 20.10 is amended to remove the following language, "You represent and acknowledge that

no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us."

~~14.15.~~ Paragraphs 20.14 and 20.18 are not enforceable in the state of California.

~~15.16.~~ Mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

~~16.17.~~ Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

18. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Section 5.1 is modified to add the following language to the end of the paragraph:
“Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under this Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.”

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISOR:
Gregory’s Coffee Franchise LLC

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
(Signature)

Name: _____
Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

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

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.

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

8.9. Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the Franchise Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.

**WASHINGTON ADDENDUM TO THE
FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires

“franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Deferral of all Initial Franchise Fees and Development Fees. The franchisor will defer collection of all initial franchise fees until the franchisor has fulfilled its pre-opening obligations to the franchisee and the franchisee is open for business. The development fee will be prorated such that the franchisee will pay the franchisor the development fee proportionally upon the opening of each franchise unit.

20. Section 14.12 of the franchise agreement does not apply in and is not enforceable in Washington.

21. Paragraph 20.10 of the franchise agreement is amended to remove the following language, “You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us.”

22. Paragraph 20.14 and 20.22 of the franchise agreement do not apply in Washington.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative



Article XIV of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as “Franchise Business” and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. However, the transfer fee to Transfer this Agreement is \$10,000, plus the transfer fee for each active franchise agreement transferred, as set forth in the applicable franchise agreement, if You transfer open and active Units with this Agreement.

Article 11 – Integration of the Various Articles of the Franchise Agreement

Article XV through Article XXI of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as “Franchise Business” and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. Additionally, the non-competition geographic restrictions are adjusted for this Agreement to be ~~50~~25 miles from Your Development Area and 5 miles from any other Gregorys Coffee® outlet in operation or development. However, You will still be able to operate a Gregorys Coffee® business in the Development Area in those territories for which You are allowed to operate under an active Franchise Agreement. Nothing in this, or in any related agreement, however, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document that We furnished to You.

Article 12 - Notices

12.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission, during normal business hours, Monday through Friday, holidays excepted, when confirmed by telecopier or facsimile transmission; (iv) through the email address below or other authorized email address when confirmed by receipt verifications, which confirmation cannot be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

<p>Franchisor: Gregory’s Coffee Franchise LLC 755 Schneider Drive South Elgin, Illinois 60177 Email: FRANCHISING@CRAVEWORTHYBRANDS.COM</p> <p>With a courtesy copy to (which will not act as notice or service to Gregory’s Coffee Franchise LLC): The Franchise & Business Law Group Attn: Kara K. Martin 222 South Main, Ste 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM</p>	<p>Area Developer:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Email: _____</p>
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those losses sustained due to such violation.

2.2 No Reverse Engineering. Principals shall not, either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile, or deconstruct any portion of the Confidential Information, and shall not allow, encourage, or permit any partner, owner, director, member, manager, agent, Personnel or other person to do so. For purposes of this Agreement, reverse engineering as it relates to the Recipes, Includes any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.3 Limited Use. Principals must limit their use of the Confidential Information, Including, their recollection of any part of the Confidential Information, to the performance of their duties as described in the Area Development Agreement, the Franchise Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Confidential Information for personal use or gain.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Area Development Agreement:

3.1 In-Term Covenant. During the term of the Area Development Agreement and for any extensions thereof, except as permitted under the Area Development Agreement and applicable Franchise Agreements, Principals and each Principal's Immediate Family, shall not directly or indirectly be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a Competing Business in any capacity or location, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section will create irreparable harm.

3.2 Post-Term Covenant. Unless Principal remains a part of a company with an active Franchise Agreement (in which case the in-term covenants will govern), then upon the Termination of the Area Development Agreement, or a Principal's disassociation from the Development Business and for a continuous, uninterrupted period of two years thereafter, except as permitted by the applicable Franchise Agreements, Principals, and Principals' Immediate Family members, shall not directly or indirectly, be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a Competing Business within the Development Area or within ~~2550~~ miles of the Development Area or within 5 miles of any other Gregorys Coffee® outlet in operation at the time of Termination or Transfer. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

3.3 Non-Solicitation of Customers. Subject to applicable state law, Principals and Principals' Immediate Family shall not, during the term of the Area Development Agreement and for three years thereafter, directly, or indirectly, contact any former or then-current customer of the Franchise Business or Franchisor or an affiliate of Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of that Principal's violation. Principal shall also pay Franchisor liquidated damages of \$500 per day

(d) Violations of any provision of this division.

10. Area Development Agreement owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

12. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

13. Mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

14. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

15. Section 4.1 of the area development agreement is amended to include the following:

"The Department has determined that we, the franchisor, have not demonstrated that we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open."

**ADDENDUM TO THE AREA DEVELOPER AGREEMENT
FOR THE STATE OF ILLINOIS**

Illinois law governs the area development agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, an area development agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

[The following is added to Article 4 of the Area Development Agreement:](#)

[“Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.”](#)

IN WITNESS WHEREOF, the Franchisor and Area Developer have respectively signed and sealed this Area Developer Agreement as of _____.

FRANCHISEE:

FRANCHISOR:
Gregory’s Coffee Franchise LLC

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

8.9. Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the Franchise Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business.

Franchisee (Signature)

**WASHINGTON ADDENDUM TO THE
AREA DEVELOPMENT AGREEMENT AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

evaluate any information provided by the franchise broker about a franchise.

19. Deferral of all Initial Franchise Fees and Development Fees. The franchisor will defer collection of all initial franchise fees until the franchisor has fulfilled its pre-opening obligations to the franchisee and the franchisee is open for business. The development fee will be prorated such that the franchisee will pay the franchisor the development fee proportionally upon the opening of each franchise unit.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative