


## FRANCHISE DISCLOSURE DOCUMENT

	Gregory's Coffee Franchise LLC 755 Schneider Drive South Elgin, Illinois 60177 (847) 608-8500 <a href="mailto:franchising@craveworthybrands.com">franchising@craveworthybrands.com</a> <a href="https://theGregory'sCoffee.com">https://theGregory'sCoffee.com</a>
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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 \$946,000. This includes \$~~4035~~,000 to \$~~5348~~,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 \$2,818,000 (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](mailto: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](http://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, 2026

## Special Risks to Consider About *This Franchise*

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

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

**2. Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

**3. Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

**4. Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

**5. Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

**6. Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

**~~4.8.~~ Franchisor's Right to Buy Back Franchise for Any Reason.** The franchise agreement gives the franchisor a unilateral right to buy your business for any reason or no reason before the franchise expires or is terminated. As a result, you may be required to

# 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 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 1, 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 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.

For qualified franchisees, we grant the right to enter into an area development agreement with us for the development of additional franchise units according to a development schedule (see Exhibit “G”). The size of the development area, the number of units to be developed, and the development schedule are negotiable. You will be required to sign our then-current franchise agreement for the first unit upon signing the area development agreement and our then-current franchise agreement for each unit as developed, which terms may differ from the current franchise agreement included with this FDD. Unless specifically stated otherwise, the disclosures for an area development are the same as for a single unit.

#### General Description of Market and Competition

The general market for coffee shops is well-developed and competitive. You will typically compete with other established coffee businesses. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Gregorys Coffee® franchises operated by us or other franchisees outside your territory.

#### Laws and Regulations

You are required to follow all laws and regulations that apply to business generally. In addition to laws and regulations that apply to businesses generally, your business is subject to federal, state, and local health and consumer protection laws and other regulations and guidelines governing the food service industry, including licensing, health, sanitation, menu labeling, smoking, safety, fire and other matters, food and safety regulations.

The Food and Drug administration, the United States Department of Agriculture and food industry organizations, including the National Restaurants Association, have established rules affecting this industry. To operate your franchise, you or one of your management employees must have a current food handler permit/license. Some states also require a manager to have a food safety manager certification. The Clean Air Act and similar state implemented laws to the Clean Air Act, may also limit emissions on carbon monoxide and other chemicals on businesses in certain geographic areas and have them attain and maintain certain air quality standards.

You must investigate local zoning rules because they may limit where you can locate your franchise business and may affect the design features including the building façade and signs. In many jurisdictions, you will also be required to obtain a sign permit. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging. You may be required by local law to participate in a recycling program, which may require that you register and make ongoing fee payments. Some state jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses and may have higher restrictions and requirements as it relates to other areas of employment law such as leave and vacation, non-compete agreements and discrimination and accommodations requirements based on a protected class which can include maternity and paternity leave. Some jurisdictions may also have higher disability accommodation and non-discrimination requirements for the general public and consumers as a whole when visiting a business and you must ensure that your franchise business is compliant with all state and federal disability accommodation requirements.

The details of state, county and local laws and regulations vary from place to place. You should investigate the application of these laws further. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost of operating your business.

## ITEM 2 BUSINESS EXPERIENCE

*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.

### 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.

### 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, 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 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

to be trained by us 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 cover 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](http://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.

After the second consecutive default, in lieu of immediate termination, we have the right to allow you to continue to operate your franchise for up to 3 months under the terms of the franchise agreement while we attempt to broker the sale of your franchise business. If we broker the sale of your franchise business, we will be entitled to a fee equal to 10% of the sales price to compensate us for time and expenses to broker the sale. You will also be required to pay the transfer fee, and the buyer must pay us the training fee for us to train the new franchisee. If you have not sold or we have not terminated your franchise within 3 months of us giving you notice of your second consecutive default, we have the right to immediately terminate your franchise.

#### Catering

You have the right to provide catering services within your territory and in contiguous areas outside of your territory so long as that area has not been awarded to another franchisee. You must give written notice to us each time you provide any catering services outside of your territory.

#### Advertising Within and Outside the Territory

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The below table is an historic performance representation for 47 of our 51 company/affiliate owned locations that were open and operating for the full trailing 52 weeks from December 1, 2024, through November 30, 2025. We have not included any location that was not open for the full 52 week period. The table also shows historical performance for locations in each of the various settings for where a Gregorys Coffee can be located from in-line (location outside of a mall but without a drive thru), locations with drive thru, and locations in malls.

The table sets forth the average revenue, median revenue, together with the highest and lowest revenue figures for the 52 week time period. The company/affiliate locates operate businesses that are substantially similar to those that you as a franchisee will operate and follow the same Gregorys Coffee® system. Other than time in operation, our affiliate owned locations do not differ materially to the anticipated characteristics of our franchisees’ locations. Our affiliate’s locations offer products and services similar to what our franchisees will offer and follow the same Gregorys Coffee® system that our franchisees are required to follow.

~~We do not make any representations about a franchisee’s future financial performance or the past financial performance of company owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Gregg Majewski at 755 Schneider Drive, South Elgin, Illinois 60177; (847) 608-8500, the Federal Trade Commission, and the appropriate state regulatory agencies.~~

~~The below table represents the minimum gross revenue for 47 of our 51 locations for the full trailing 52 weeks (from December 1, 2024, through November 30, 2025). The below information represents the average annual gross revenue for our stores:~~

Package	Total # of Stores	Low Revenue	High Revenue	Average	Median	% Stores higher than Average
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**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company Owned	2023	33	36	3
	2024	36	52	16
	2025	52	51	-1
Total Outlets	2023	33	36	3

**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, 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 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)

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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](mailto:franchise@craveworthybrands.com).

TYPE OF REPORT	DUE DATE	REMARKS
Federal Tax Return	Annually, within 15 days of submission	
IRS Form 941 (Employer's Quarterly Federal Tax Return)	Quarterly, within 15 days of submission	
Other Reports	Upon request	Those additional reports that We may from time to time require, Including sales and cost data and analyses, advertising budget, expenditures, inspection reports, etc.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agents, have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, business bank accounts, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.5.2 Audit of Books and Records. We are not required to give You advanced written notice of an audit or financial inspection. If any audit or financial inspection discloses a deficiency of amounts owing to Us or Our affiliate(s), You shall immediately pay Us or Our affiliate the amount of the deficiency, the appropriate Fee for late charges, and if the deficiency is 2% or more, You shall reimburse Us for the total expense of the audit or investigation, Including the charges for the accountant and the travel expenses, room, board, and other costs incurred in connection with the audit. Your failure to report Gross Revenue for any period, or Your failure to retain and have available, readable, and organized required records will be deemed an understatement by more than 2%.

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.7 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to placing You in default, as determined on a case by case basis, Including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine or fines for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. These fines are paid to Us to reimburse Us for Our administrative and management costs to address the violation, are not a penalty or estimate of all damages arising from Your breach and are not Our sole remedy. Our decision 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. ~~In the event~~

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. You must cover the travel, food, and lodging costs as well as compensation for Your attendees.

(i) New Operating Principal or Manager 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 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.

6.1.5 Opening Assistance. You must provide Us a valid certificate of occupancy, You must have obtained all other necessary permits and licenses to open, and You must have all Your equipment functioning for the Premises before We send any representatives to provide any opening assistance. If You postpone or reschedule Your opening, or if You fail to provide a valid certificate of occupancy before the scheduled opening training, You must pay Us the rescheduling Fee listed in Exhibit “A-3” to reschedule Our opening assistance. Additional details on the opening assistance are set forth in Paragraph 7.4.1 below.

6.1.6 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

Us in any Update notice to You. You shall also complete any day-to-day maintenance issues as they occur. In the event You relocate Your Premises to a new approved location, or sign a Successor Franchise Agreement, You must bring Your new Premises up to Our then-current standards.

6.1.10 Your Personnel. You shall at all times during the operation of the Franchise Business maintain a staff of trained Personnel sufficient to operate the Franchise Business in compliance with Our brand standards. You acknowledge and agree that You, Your Principals, and Your Personnel are not Our employees or independent contractors. You are solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of the performance of duties, work rules, safety, working conditions, and training of Your Personnel. We do not assist You in employment-related decisions, or in creating any policies or terms and conditions related to the management of Your Personnel or their employment. The only training assistance We provide is the training of Your designated managers and Operating Principal.

(i) Sample Employment Manual. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters that You may choose to adopt or not. You must use Your own discretion on what policies to implement for Your Personnel based on Your own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws and some policies may be outdated or conflict with current existing state or federal employment laws. You must seek Your own legal counsel to determine those policies that are legally compliant with current employment laws in Your state to draft Your own employee handbook. It is Your responsibility to comply with local and federal labor and employment laws.

(ii) Notification to Personnel. You further agree that in any office, break room, or other non-public area accessed by Your Personnel, You will post a sign or other document containing language We require explaining the differences between You, their employer or contractor, and Us as the franchisor.

(iii) Personnel Brand Protection Agreement. Your Personnel must execute Our Personnel Brand Protection Agreement (see Exhibit “A-5”). (Although We provide You this form, You are responsible to conform it to the laws and regulations of Your state.) You must also have each of Your Personnel sign Our then-current form of the Franchise Relationship Acknowledgement attached as Schedule “A-5.1” to the Personnel Brand Protection Agreement. You shall promptly deliver a copy of all such agreements to Us within 10 days of hiring of the respective Personnel.

6.1.11 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A-” or better by A.M. Best & Company, Inc.:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate, whichever is greater
Property Insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Business Interruption Insurance	\$100,000
Government Required Insurances	All workers’ compensation and employment insurance on Your employees as required under all federal and state laws (cannot exclude owner-operator requirement)

sign and waive their right to privacy with respect to the use of the security system in non-private areas of the Premises. You agree to indemnify and hold Us harmless from and against any claim related to Your security system.

6.1.14 Conferences and Seminars. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, You may be required to attend, and You must pay registration Fees (see Exhibit “A-3”) and all travel, lodging, food, and other expenses for each of Your attendees.

6.1.15 Required Software; Technology. You must use and pay for all software and other technology and platforms as required by Us, which may be changed from time to time. You must timely input all required information into Our designated software and platforms as set forth in Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

## 6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, Recipes, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email ~~format required~~address(es) provided by Us ~~and an email~~or approved by Us for use in relation to Your Franchise Business, frequently checked by Your Operating Principal to facilitate Our communications, and that You must use as the sole email(s) for all Franchise Business-related communications and accounts. Any email account/address that We provide to You belongs to Us, and We have the right to access such email accounts at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in assigned email accounts. We also have the right to issue You a different email account/address at Our sole discretion.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership, subscription model, or other discount or incentive program, You are required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, fundraising program, gift card program, etc., without Our prior written permission. The method of sales and pooling and reconciling the funds for all such programs will be determined by Us at Our sole discretion as set forth in the Manuals.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our 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). You must accept, comply with, use, and implement all such changes to the System or operations. 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 that We specify. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

10.3 Marketing Materials. We may provide You with physical copies of Marketing materials developed by Us from time to time. Additional physical copies will be made available at cost, plus 10%, plus shipping and handling. At Your request, We may assist You in developing the digital development of Your Marketing materials currently at a cost to You of \$100 per hour.

10.4 Your Obligations to Market. You shall participate in all Marketing, email, texting, and other programs as developed and/or directed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us. And You shall use all materials, mediums, and other information made available to You in doing so. You are required to pay to Us the local marketing fee amount (see Exhibit “A-3”) and We, or a third-party of Our choice will carry out local Marketing on Your behalf. We may require You to conduct Your local Marketing upon notice by Us. Neither We nor You are restricted from Marketing in the Territory. You are not permitted to Market or sell to customers in another franchisee’s territory or in a territory of Our affiliate(s).

10.4.1 Approval of Marketing. You may develop Marketing materials for Your use at Your cost, but You must submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published, and such other information as may be reasonably requested by Us. All such materials must be approved by Us in advance of use or publication and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed unapproved if You do not receive Our written approval or disapproval within 14 days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time.

10.4.2 Marketing Compliance. All Your Marketing activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System.

10.4.3 Grand Opening Marketing. You are not required to promote Your grand opening, but We recommend You spend between \$5,000 and \$10,000 to promote Your opening. This amount is paid to Us and We, or a third party of Our choice will carry out the grand opening marketing.

10.5 Internet and Social Media. You must strictly comply with Our policies and procedures regarding websites, Social Media sites, and Internet Marketing. We reserve the right to restrict Your use of these mediums in the future.

10.5.1 Use of the Internet. You may not create a website or apps for Your Franchise Business or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission on behalf of Your Franchise Business or in any manner related to the Gregorys Coffee® brand. However, We may permit You to place pre-approved information concerning Your Franchise Business on Our website or subdomain, as developed by Us. Additionally, You cannot Market on the Internet, Including posting for resale, items on third party resale or auction-style websites such as eBay, Craigslist, or Amazon without Our prior written permission. We have the right (but not the obligation) to manage and control all online reviews for Your Franchise Business. You may not claim any web listing on sites such as Yelp.

10.5.2 Social Media. We will own and control all Social Media related to the brand, but We may allow You to manage certain aspects of Social Media related to Your Franchise Business. In all cases, We will have administrative access, and access to account information, and any other information related to Your Social Media activities related to the Gregorys Coffee® brand. You cannot change any login/password information without Our prior written approval, and You must supply Us with all changed/updated

S. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

T. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

U. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

V. Failure to Obtain or Maintain Insurance, Licenses, Certifications, Permits, Etc. You fail to obtain or maintain all required insurance, licenses, certifications, permits, etc., for operating the Franchise Business or as required by Us.

W. Failure to Sign Transfer Documents. You and any transferees fail to sign all required documents related to the transfer of the Franchise Business.

X. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

Y. Owner Deadlock. Your Owners are engaged in a Dispute with one another (deadlock) that materially affects the operation of Your Franchise Business or that We reasonably believe will materially affect the operation of Your Franchise Business if left unresolved.

Z. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement and no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. Notwithstanding anything to the contrary herein, We have the right, at Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, We may proceed to enforce any or all the following non-exclusive remedies in accordance with this Agreement. Our pursuit of any one remedy will not be deemed an election or waiver by Us to pursue any other additional remedies:

11.3.1 Our Pre-Termination Options. We have the right to: 1) suspend all services provided to You under this Agreement or otherwise, including training, Marketing assistance, access to Our software platforms and accounts, and the sale of products and supplies; or 2) eliminate listing Your Franchise Business in any Marketing materials, including any directory listings, approved or published by Us, and Our principal website or Social Media platforms. We may continue taking these actions until You comply with the

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 ~~Gregory's~~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:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later ("Option Period"), by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to use Your Operating Assets and Premises during the Option Period, and in such case, We will pay You the fair market value of such use. We have the right to offset any amounts You owe to Us against the purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens or taxes, We may also withhold a portion of purchase price to pay off such lien or taxes. We may also withhold 25% of the purchase price for 90 days to ensure that all other liabilities affecting the Operating Assets are paid.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.

experience of the proposed transferee, including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer.

14.5 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, or upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.6 Deposit and Transfer Fee. In consideration of Our reviewing the proposed Transfer, You shall pay to Us a non-refundable deposit fee (see Exhibit “A-3”). Additionally, if the Transfer is approved, You shall pay Us the non-refundable Transfer Fee in Exhibit “A-3” at the time the consent to transfer agreement to approve ~~of~~ the Transfer is fully executed by all applicable parties. If the Transfer is approved, the deposit will be applied towards the Transfer Fee.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our procedures related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements, and other documents.

14.8.2 Franchisee Application; Written Proposal. The transferee must complete and submit all application documents required by Us from prospective franchisees at the time of Transfer and be approved in writing by Us. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, negatively impact the future viability of the Franchise Business. If any part of the sale price is financed, You must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Fees owing to Us and our affiliates pursuant to this Agreement.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, including assuming Your Lease obligations, if applicable, in a form acceptable to Us, and the transferee(s) must provide the required personal guarantees. See Section 6.3 above.

14.8.4 New Franchise Agreement; Updates; Consent. At Our discretion, the transferee must sign an addendum to the current franchise agreement, or the then-current form of the franchise agreement for

16.8 Breach of Non-Competition. You and We recognize the difficulty of calculating damages caused by Your breach of Your non-competition obligations and agree that such damages could arise, and You and We hereby agree to the following as a compromise on the calculation of such damages. If You operate a Competing Business in violation of this Agreement, in addition to any other remedy We may have under this Agreement and under law, You shall pay Us the liquidated damages Fee listed on Exhibit “A-3.”

16.9 Additional Equitable Remedies. The amount contemplated under Section 16.8 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Section 16.8 does not preclude recovery for damages for other breaches of this Agreement and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Additionally, We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for the amounts payable to Us under Section 16.8.

16.10 Immediate Family. You acknowledge and agree that the restrictions on Your Immediate Family is necessary because Your disclosing Our Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement, and You also acknowledge that it would be difficult for Us to prove whether You disclosed Our Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business. You agree to make Your Immediate Family aware of the non-compete, non-solicitation and confidentiality provisions in this Agreement.

## ARTICLE XVII DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement, or the offer and sale to You, such Dispute will be handled as set forth below. All aspects of settlement, negotiations, mediation, etc., will be treated as confidential, may not be disclosed to others, and may not be offered or admissible in any other proceeding or legal action whatsoever.

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Carson City, Nevada, or at Our then-current headquarters, within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before a mutually agreed upon mediator. The mediation will be conducted exclusively in Carson City, Nevada. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters. Mediation will not defer or suspend Our exercise of any termination right under Article ~~XXIX~~.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect.

	through 2030; capped at \$200/week through 2035		
Additional Trainees at Initial Training <sup>1</sup>	\$1,000 per person, plus travel, lodging, food	See Paragraph 6.1.4	45 days prior to training
<del>New Operating Principal or Manager Replacement Training<sup>1</sup></del>	\$250 per day / per person, plus travel, lodging, food	See Paragraph 6.1.4(i)	Prior to training
Additional In-Person Training <sup>1</sup>	\$250 per day/ per person, plus travel, lodging, food	See Paragraph 6.1.4(ii)	Prior to training or upon billing
Rescheduling Fee <sup>1</sup>	\$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 <sup>1</sup>	\$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 <sup>1</sup>	Currently \$0	See Paragraph 6.1.14	At time of registering for the conference or seminar
Compliance Inspection Fee <sup>1</sup>	\$250 per hour	See Paragraph 6.2.2(iv)	Upon billing after inspection
Interim Management Fee <sup>1</sup>	\$250 per person/per day	See Paragraph 6.2.3 and Section 14.10	Time of service
Replacement Costs <sup>1</sup>	Our costs, plus \$100 per hour for our time	See Section 8.4	Within 15 days of invoicing
Physical Copies of Marketing Materials <sup>1</sup>	Our reasonable costs, plus 10%, and the costs for shipping and handling	See Section 10.3	At time of ordering
Marketing Materials Creation Assistance <sup>1</sup>	\$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	The average monthly royalty calculated or projected based on a 90 day run rate for the remaining term of your franchise agreement.	See Section 12.5	Within 10 days of Termination
Post-Termination De-Identification Non-Compliance Fee <sup>1</sup>	\$50 per day	See Paragraph 12.5.1	Upon billing
Post-Termination Fees	Actual Costs	See Paragraph 12.5.1	As incurred

2.2 Personnel Use of Recipes. Each Personnel authorized to use the Recipes in the operation of the Franchise will be required to sign a confidentiality agreement prior to use of the Recipes. Furthermore, Principals represent and warrant that they shall only authorize Personnel over the age of 18 to use or have access to the Recipes. A copy of all such signed agreements will be promptly (within 10 days) provided to Franchisor.

2.3 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 Owner, Principal, 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.

2.4 Limited Use. Principals shall 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 Franchise Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Confidential Information for any personal use or gain.

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

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions or Successor Franchise Agreements thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of two years thereafter, Principals, and Principal's Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, territory, or location within the Territory or within 10 miles of the Territory or within 5 miles of any other Gregory's Gregorys Coffee™® outlet in operation or development at the time of such 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. Principals agree that the Franchise Business attracts customers from up to 10 miles, and that such geographical restraint is not unreasonable.

3.3 Non-Solicitation of Customers. In addition to not using Customer Data other than permitted under the Franchise Agreement, during the term of the Franchise Agreement and for three years after the Termination of the Franchise Agreement, Principal and each of Principal's Immediate Family shall not, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the 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

9. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Nevada without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Nevada, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Carson City, Nevada.

10. Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorneys' fees and other costs reasonably incurred in such action or proceeding.

11. Binding Agreement. This Agreement will bind each parties' respective heirs, personal representatives, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval, and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

13. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

14. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, e.g., spaces that are not in a bathroom, changing room, etc.

15. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

16. Prior Disclosures. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement as if such information had been disclosed following the execution of this Agreement.

17. Personnel. In this Agreement, "Personnel" means any individual or entity engaged by the Franchisee to perform work or services in connection with the business, including but not limited to employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, and volunteers, whether compensated or uncompensated.

**PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.**

**SCHEDULE “A-5.1”**  
**FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT**

Because you are becoming a part of the Gregorys Coffee® franchise system, it is important that you understand and acknowledge who is your employer (or the party that hired you as an independent contractor), and who is not.

You have been hired by \_\_\_\_\_ (Legal Name of Franchisee) (“Franchisee”), which is an independent franchise owner in the Gregorys Coffee® franchise system (which we call the “System”). Although Franchisee looks the same, has the same name, and is operated the same way as other Gregorys Coffee® outlets in the System, Franchisee is not part of the same company as those other Gregorys Coffee® outlets in the System. Gregory’s Coffee Franchise LLC is a completely separate company that owns or has been licensed the System to Franchisee. Gregory’s Coffee Franchise LLC has devised rules, systems of operation, and policies and procedures that all its franchisees must follow, including Franchisee, which makes each independent franchise Gregorys Coffee® outlet look and operate the same way as one another. This way, Gregory’s Coffee Franchise LLC manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Gregorys Coffee® outlet.

It is important that you understand that Franchisee is your **only** employer (or is the only party associated with the Gregorys Coffee® franchise system that hired you as an independent contractor). If you are an employee of Franchisee, then Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. If you are an independent contractor, then Franchisee compensates you, hires you for certain hours or tasks, and provides you with the job description for your services to Franchisee. Gregory’s Coffee Franchise LLC is **not** your employer and has not hired you to provide services related to the Gregorys Coffee® franchise system. If Gregory’s Coffee Franchise LLC’s representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Gregorys Coffee® is the same or through at your place of work as it is at other Gregorys Coffee® outlets in the Gregorys Coffee® system. The fact that you are trained, or given direction or advice, by Gregory’s Coffee Franchise LLC’s representatives does not mean that Gregory’s Coffee Franchise LLC is your employer.

If you have any questions about your employment relationship or your contracted relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer (or the party that hired you as an independent contractor), Franchisee.

I have read this Franchise Relationship Acknowledgement, and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

SIGNED: \_\_\_\_\_

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT "A-6"**  
**TO THE FRANCHISE AGREEMENT**

**LESSOR'S LANDLORD'S CONSENT TO ASSIGNMENT**

\_\_\_\_\_ ("Lessor/Landlord") hereby consents to an ~~Assignment~~assignment of the ~~financing agreement or the lease agreement for the financing or lease of equipment for the operation of a Gregory's Coffee® unit~~ ("Lease Agreement") to Gregory's Coffee Franchise LLC ("Franchisor") for the purpose of securing the obligations of \_\_\_\_\_ ("Lessee" and Franchisor's franchisee) to Franchisor. In the event of Lessee's breach of the Lease Agreement, Lessor/Landlord agrees to provide Franchisor with written notice of any breach of the Lease Agreement that Lessor/Landlord is required to provide to Lessee. Further, Lessor/Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor ~~30 days' notice of such breach and~~ an opportunity, but not the obligation, to cure said breach within such notice for an additional 10 days beyond the applicable cure period granted to the Lessee under the Lease Agreement.

Landlord agrees to provide Franchisor with all information relating to amounts owing, settlement agreements, and all matters related to the Lease Agreement within five days of written request from Franchisor.

Landlord agrees that if Lessee does not timely cure a default under the Lease Agreement, or the Lease Agreement, or ~~the~~ franchise agreement is terminated, Franchisor will have the right, but not the obligation, within ~~45~~30 days ~~after termination of the Lease Agreement~~such date, to take possession of the ~~equipment~~premises, and to assume or reassign the Lease Agreement, or sublet the ~~equipment~~premises to another franchisee for the remaining term of the Lease Agreement; provided that Landlord will have the right to reasonably approve such reassignment or subletting.

~~The Lessor/Landlord~~ further covenants that so long as Franchisor has not ~~obtained~~entered into possession of the ~~equipment~~leased premises, Franchisor will not be liable for ~~payments~~rent or any other obligation under the Lease Agreement, but that Lessor/Landlord will look to Lessee for all obligations under the Lease Agreement.

Landlord agrees to include the terms of the attached lease rider in the Lease Agreement.

Notices to Franchisor will be sent to: Gregory's Coffee Franchise LLC, 755 Schneider Drive, South Elgin, Illinois 60177.

\_\_\_\_\_ Dated as of \_\_\_\_\_.

**LESSOR:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Lessor Contact Information:**

\_\_\_\_\_ (Contact Person)

\_\_\_\_\_ (Mailing Address)

\_\_\_\_\_ (Email)

\_\_\_\_\_ (Phone)

Landlord's Contact Information:

Contact Person: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

LANDLORD:

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_