FRANCHISE DISCLOSURE DOCUMENT

Egg N Bird Franchising Inc. a Texas corporation
1220 West Trinity Mills Road Suite 212
Carrollton, Texas 75060
Telephone: (949) 265-8000
info@eggnbird.com
www.eggnbird.com

Egg N Bird Franchising Inc. ("Egg N Bird") franchisees will operate either a Store at a traditional location or at a non-traditional location that principally offer egg and chicken sandwiches and other food and beverages use a variety of distinctive tastes, textures and ingredients and merchandise. A traditional Store location is typically an in-line or drive-through location with table seating, offering a selection of designated food, beverage and merchandise items. A Store at a non-traditional location operates principally within another primary business or venue, in conjunction with another business, in institutional settings, or other food service facilities such as kiosks, concessions, food trucks, multi-brand facilities, facilities that are delivery-only or principally take-away where the Egg N Bird Store may offer a full or reduced menu selection. In this disclosure document, "Store" means any retail traditional or non-traditional Store unless the context requires otherwise.

We offer two franchise programs:

Multiple Stores. We offer an Area Development Agreement that you must sign if you intend to develop more than one Store within a defined geographical area or a defined category of non-traditional locations within a geographical area. The total estimated investment necessary to begin operation of an Egg N Bird franchise under an Area Development Agreement includes $57,000 (for two Stores) to $111,000 (for five Stores) representing a development fee equal to $39,000 for your first Store plus $18,000 multiplied by the number of additional Stores you commit to open under the Development Agreement, that must be paid to the franchisor or its affiliates.

Single Store. The total investment necessary to begin operation of an Egg N Bird franchise for a single Store ranges from $510,000.00 to $846,000.00. This includes $45,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Development Contracts Manager, at 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060, Telephone: (949) 265-8000.

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

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

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

Issuance Date: January 28, 2022, as amended March 16, 2022

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **<u>Out-of-State Dispute Resolution</u>.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.

2. **<u>New Business</u>**: This is an emerging franchise concept with a limited operating history. Egg N Bird Franchising Inc. and its affiliates do not guarantee the performance of Egg N' Bird stores.

3. 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.

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

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

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

a. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

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

d. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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EXHIBITS

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

We are Egg N Bird Franchising Inc., a Texas corporation. To simplify this Disclosure Document, we refer to ourselves as "Egg N Bird", "we" or "us." "You" means the person who buys the franchise. Sometimes in this Disclosure Document "you" also means individuals who are stockholders of a corporation, members of a limited liability company, or partners of a partnership that buys a franchise.

We were incorporated on August 17, 2021 and our principal business address is 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060. We do business under our corporate name and under "Egg N Bird." Our agent for service of process in Texas is Phillip Chang and his address is 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060. Please check Exhibit A for agents in other registration states.

Our primary business is operating and granting franchises to let people, like you, operate retail stores under our trademarks that specialize in the offer and sale of egg and chicken sandwiches and other similar and dissimilar designated food, beverages and merchandise for on-premises consumption and carryout. We started franchising in January 2022. We are not in any other business, have not conducted business in any other line of business and have not offered or sold franchises in any other line of business. We have no parents or predecessors. Except as described in this Item, we have no affiliates that offer franchises in any line of business or provide products or services to franchisees of the Egg N Bird system. We may also provide services to other franchisors that are subsidiaries or affiliates of us.

Our affiliate, Egg N Bird Corporation, a California corporation, opened the first Egg N Bird retail store in January 2021 and continues to operate that location. It sells egg and chicken sandwiches and related products from a retail store. From time to time, it may provide services to us, including providing training and other services on our behalf to our franchisees. The address of the store is 4469 Slauson Avenue, Maywood, California 90270. Egg N Bird Corporation does not offer franchises in any line of business and except as described above does not conduct any other business.

Our affiliate, Egg N Bird Cypress, a California corporation, operates a store. From time to time, it may provide services to us, including providing training and other services on our behalf to our franchisees. The address of the store is 6940 Katella Avenue, Cypress, California 90630. Egg N Bird Cypress does not offer franchises in any line of business and except as described above does not conduct any other business.

Our affiliate, Yogurtland Franchising, Inc., a California corporation ("YFI"), operates and grants franchises to let people operate retail stores under their trademarks that specialize in the offer and sale of several favors of frozen desserts and other similar and dissimilar designated food, beverages and merchandise for on-premises consumption and carryout. YFI started franchising in March 2007. YFI's principal business address is 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060. As of December 31, 2021, there are 202 "Yogurtland" franchises in the United States of America.

Our affiliate, Withim Corporation, a California corporation ("Withim"). We expect Withim to develop and operate an Egg N Bird store in California. Withim shares the same address as Egg N Bird. From time to time, Withim may provide services to us, including providing training and other services on our behalf to our franchisees. Withim's business address is the same as YFI. Withim is not in any other business and does not offer or sell franchises in any line of business.

Our affiliate, Paramount Dairy, Inc., a California corporation ("Paramount Dairy"). Paramount Dairy manufactures and sells yogurt base and other products through various distribution channels to YFI and its franchisees and other retailers, including competitors of the Yogurtland® system. Paramount Dairy may also supply yogurt and other products to you. Paramount Dairy is located at 15255 Texaco Avenue, Paramount, California 90723. Paramount Dairy is not in any other business and does not offer or sell franchises in any line of business.

Our affiliate, Joseph Trading, Inc., a California corporation ("Joseph Trading"), sells various products to food service businesses including franchisees of FYI and others. Joseph Trading may also supply items to you for use in the operation of your franchised Store. The offices of Joseph Trading are at 17799 Cartwright Road, Irvine, California 92618. Joseph Trading is not in any other business and does not offer or sell franchises in any line of business.

If we accept you to become an Area Developer, you will be granted limited rights obtain Franchise Agreements providing for the establishment and operation of an agreed number of franchised Stores at traditional or non-traditional locations within the Development Area. For each Store you develop under the Area Development Agreement, the form of Franchise Agreement will be our then-current form at the time we approve of the specific Store's site.

As a franchisee, you will use our marks to sell egg and chicken sandwiches and other similar and dissimilar designated food, beverages and merchandise items to the general public. Your Store, regardless of format, is designed to incorporate an upscale QSR look featuring indoor seating and/or take out services, custom designed interiors, furniture, fixtures, custom designed uniforms and wearing apparel that complement the QSR look. You will use our system including system standards, business marketing techniques, trade secrets, and recipes. If you operate at a non-traditional location (which are (i) any location within another primary business or in conjunction with institutional and other business or institutional settings, including, but not limited to, resorts, hotels and motels, ships, ports, piers, casinos, arenas, fairs, stadiums, airports, gyms, colleges and universities, schools, hospitals, medical centers, military and other governmental facilitates (including commissaries), toll roads, travel plazas, office or in-plant food facilities, health clubs, shopping malls, supermarkets, grocery stores, anchor retail department stores, big-box retailers, specialty retailers, convenience stores, fast food operations such as food courts, and any location to which the general public does not have unlimited access and/or any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider; (ii) mobile outlets, temporary or seasonal food service facilities; and/or (iii) commercial kitchen facilities that provide order and delivery-only services, which may include the associated online or mobile ordering and delivery and/or pick-up services. Examples of non-traditional locations include mobile outlets (such as food trucks), "ghost" kitchens, kiosks, concessions, multi-brand facilities, grocery stores, club stores, convenience stores, concert venues, casinos, toll roads, hotels and motels, ships, travel plazas, ports, piers, supermarkets, convention centers, airports, resorts, amusement parks, sports stadiums, fairs, expositions, college and university buildings, military bases and/or commissaries, hospitals and medical centers, and other venues operated by a master concessionaire or contract food service provider.) Stores or other food service facilities at non-traditional locations, in our discretion, may be required or authorized to offer a more limited menu. Locations that are not non-traditional locations are traditional locations. Traditional locations are typically an in-line or drive-through location with table seating, offering a selection of egg and chicken sandwiches of premium quality and other designated food, beverage and merchandise items.

Specialty egg and chicken sandwich stores are highly competitive. You will compete with other restaurants in every format. Sales are generally not seasonal. Our restaurants generally are open from 6 a.m. in their local markets until at least 3 a.m. the following morning, 7 days each with except for certain federal or national holidays as defined in our Operations Manual

Texas and other states and local jurisdictions have laws, rules, regulations, and ordinances which may apply to your Store, including those concerning construction, design and maintenance of the Store premises; health and sanitation requirements for restaurant employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability and cleanliness of restrooms; employee health and safety; fire safety and emergency preparedness; and use, storage and disposal of waste, insecticides, and other hazardous materials; menu labeling; and, equal access for the disabled. In addition, the federal government has enacted legislation further regulating food safety as well as equal access for disabled persons. You should investigate whether there are regulations and requirements that may apply in the geographic area where you are interested in locating your franchise. In addition, the Federal government, State governments and local jurisdictions have enacted and may continue to enact various regulations, orders and recommendations addressing the global COVID-19 pandemic, including “shelter in place,” “safer at home” and “social distancing” orders, that may apply to the operation of your Store. These regulations and orders may, for example, require the temporary closure of what they define as “non-essential” businesses, temporarily restrict the products and services that may be offered from your Store, limit seating and/or occupancy, and/or limit hours and scope of operations. You should investigate whether there are regulations, orders or other requirements or recommendations that may apply in the geographic area in which you are interested in locating your Store and should consider both their impact and cost of compliance.

ITEM 2
BUSINESS EXPERIENCE

Secretary, Treasurer, Chief Executive Officer, and Director: Phillip Chang

Mr. Chang has been our, Secretary, Treasurer, Chief Executive Officer, and Director since we were formed in August 2021. Mr. Chang has been the Secretary, Treasurer and Director of YFI in Irvine, California since it was formed in November 2006. In January 2014, he was named Chairman of YFI’s Board of Directors, and resigned from his role as President of YFI. In July 2014, Mr. Chang returned as President and Chief Executive Officer. Mr. Chang served as YFI’s President from July 2014 through March 2021.

Senior Business Integration Manager: Sam Kwon

Mr. Kwon has been our Senior Business Integration Manager since August 2021. Mr. Kwon was YFI's Senior Business Development Manager from March 2020 to August 2021. Mr. Kwon was YFI's Franchise Sales Manager from June 2019 through March 2020. Prior to that, Mr. Kwon was the Business Development Manager for CJ Foodville USA, a bakery company in Commerce, California from December, 2017 until May, 2019. From December, 2013 until April, 2017, Mr. Kwon was the Manager for BJJ PA Frog LLC, a frozen yogurt company in Wexford, Pennsylvania.

Egg N Bird has a relationship with YFI and the following YFI employees provide presently services to us and our franchisees.

<u>President: Sam Yoon</u>

Mr. Yoon was appointed President of YFI in March 2021. Mr. Yoon served as Senior Vice President of YFI from February 2019 until March 2021. Prior to that, Mr. Yoon served as YFI's Senior Vice President of Strategy Finance and Administration from October 2017 until February 2019. Prior to that, he served as the Managing Director at Higher Ground International in Seoul, Korea from September 2016 until September 2017.

<u>Director of Marketing: Brittany Knollmiller</u>

Ms. Knollmiller has been YFI's Director of Marketing since March, 2022. She joined YFI as Senior Marketing Manager in February, 2020. Prior to that, she was the Senior Marketing Manager for El Pollo Loco, Inc. in Costa Mesa, California from March 2018 until February 2020. From July 2015 until March 2018, she was the Marketing Manager for El Pollo Loco, Inc.

<u>Director of Franchise Operations: Gary Hunter</u>

Mr. Hunter has been YFI's Director of Franchise Operations since March 2019. Prior to that, he was the Director of Operations for PB Restaurant Group in Los Angeles, California from December 2017 until March 2019. From August 2017 until December 2017, he was the Area Director for John's Incredible Pizza in Rancho Santa Margarita, California and from May 2012 until August 2017 he was the Vice President of Operations for Menchie's Frozen Yogurt in Encino, California.

<u>Director of Franchise Development: Amanda Clayton Millikan</u>

Mrs. Millikan has been YFI's Director of Franchise Development since March 2022. From July 2021 to March 2022 that, she was YFI's Head of Franchise Development. Prior to that, she was the Chief Development Officer for WoodHouse, LLC, a hospitality/entertainment company in Dallas, Texas from September 2020 through June 2021. Prior to that, Mrs. Millikan was with Sinelli Concepts International, Inc., a restaurant franchisor in Dallas, Texas. She served as their Chief Strategy Officer from May 2019 to March 2020; she served as their Senior Vice President from February 2017 to April 2019; and she served as their Vice President of Strategy from July 2015 to January 2017.

<u>Development Contracts Manager: Kimberly Bryant</u>

Ms. Bryant has been YFI's Development Contracts Manager since April 2018. Prior to that, she was the Senior Manager of Franchising for Togo's, a restaurant company in San Jose, California from March 2016 until April 2018.

ITEM 3
LITIGATION

No actions are required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

On March 31, 2017, our Senior Business Integration Manager, Sam Kwon, filed a Voluntary Petition under Chapter 7 of the U.S. Bankruptcy Code in the Western District of Pennsylvania, Case No. 17-21261-GLT. The case was discharged on August 8, 2017.

No other bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Single Store (traditional or non-traditional). For a Store, you must sign our standard franchise agreement, under which you must pay us a non-refundable Initial Franchise Fee of $39,000 upon signing your Franchise Agreement. If you signed an Area Development Agreement and it provides for different fees, the terms of your Area Development Agreement will control.

Area Development. If you sign an Area Development Agreement, the initial fee payable will include a development fee equal to $39,000 for your first Store pursuant to the agreement, plus $18,000 multiplied by the number of additional Stores you commit to develop under the Development Agreement. This fee is payable and fully earned upon signing the Development Agreement. It is not refundable, in whole or in part, under any circumstances. For the first Store, you open under the Development Agreement, $39,000 of the development fee is credited against the $39,000 initial franchise fee for the Store. For each of the remaining Stores opened under the Development Agreement a $18,000 portion of the development fee is credited against the initial franchise fee due for that Store, which is $39,000. The development fees are credited until the entire amount is credited against initial franchise fees. You must pay the balance of the Initial Franchise Fee for each Store on the earlier of (a) the signing of a lease for that location, (b) the signing of the Franchise Agreement for that location; or (c) the date that the Store was required to be opened pursuant to the Area Development Agreement.

In addition, you must pay us, before opening your Store, a one-time fee of $6,000 for limited construction project management services for the Store in order to receive our preliminary floor plan layout and prototype design development package for your Store and our limited construction project management services. You must also reimburse us for our out-of-pocket costs. Depending on your Store's proximity to our Support Center in Carrollton, Texas, the experience and capability of you, your employees and contracted parties, and other factors, the current estimated range of our out-of-pocket expenses ranges from $0 to $5,000, though this may increase over time. If you use an unapproved architect, you must pay us $5,000 plus such additional amounts as necessary to compensate us for time spent working with an unapproved architect.

You are obligated to reimburse us for additional expenses we incur to provide our trainers to your Store to provide initial training to you and your employees. This includes expenses for travel, lodging, meals, mileage, etc. Depending on your Store's proximity to our Support Center in Carrollton, Texas, the experience and capability of the staff at your Store, and other factors, the estimated range of our out-of-pocket expense ranges from $1,000 to $5,000. This reimbursement is due to us from you upon demand, which will generally occur just prior to your Store's opening.

Except as expressly provided above, we do not provide or offer any refunds of the initial fees paid to us. We do not currently offer any financing of the initial franchise fee or of any equipment that you must purchase from us. All fees imposed by us are uniform for new franchisees in this state, except as to the above described.

ITEM 6
OTHER FEES[1]

Type of Fee	Amount	Due Date	Remarks
ROYALTY	6% of Gross Sales[2] or $4,000 per month, whichever is higher, beginning after six full months of operation. If you fail to pay any royalty payment as and when due, the unpaid royalty fee will be increased to six and one half percent (6.5%) of Gross Sales for the prior month.	The base royalty ($4,000) is due on the 15th of each month for that calendar month. Any balance owing is due and payable by the 5th calendar day of each month on account of Gross Sales derived in the prior month	The royalty fee is paid to us. See late charge below if payment is not made when due.
MARKETING FUND FEE	2% of Gross Sales. 2.5% of Gross Sales, if your marketing fee payments are received late.	The Marketing Fund Fee is due and payable by the 5th calendar day of each month on account of Gross Sales derived in the prior month. Through December 31, 2023 (which date we may extend in our discretion), we will rebate to you from the Marketing Fund an amount equal to the amount you spend for approved local	The marketing fee is paid to us.

Type of Fee	Amount	Due Date	Remarks
		marketing expenditures in addition to those expenditures otherwise required by your franchise agreement. In no event will these rebates exceed the Marketing Fund payments you make to us.	
TECHNOLOGY FEE	$200	Monthly; payable with the Royalty.	
COOPERATIVE ADVERTISING FEES (if and when established)[3]	2 to 5% of Gross Sales as imposed by the cooperative	Due and payable according to guidelines established by the cooperative	You pay this fee to us, if we establish an advertising cooperative in your area.
ADDITIONAL TRAINING	$2,000 to $4,000 per program	Before training	You pay this fee to us for each person who attends our periodic training seminars.
ADDITIONAL BRAND TRAINING	$4,000/additional person	Before training	You pay this fee to us for each additional person attending Brand Training.
PRODUCT PURCHASES, which include food inventory, paper goods, etc.	Presently none, but these purchases (made via periodic purchase orders)	On demand	You pay us for products you buy from us or our affiliates either directly or through a distributor. The frequency of delivery and level of expenditure will tend to correspond to your Store's sales level.
AUDIT FEE	$10,000 (plus the amount of under reporting)	On demand	Payable to us, if our audit of you discloses under reporting[4] of royalties or other fees due to us in the amount of 2% or more for any month or longer.
TRANSFER FEE	$12,500	Before any assignment, sale or transfer of the franchise (paid prior to training)	You pay us this fee for us to evaluate your proposed transferee or assignee. The transfer fee is subject to

Type of Fee	Amount	Due Date	Remarks
			adjustment based on the consumer price index. If assign the franchise agreement to an entity that you own in the same proportions as the franchise agreement, the transfer fee will be reduced to our then-current administrative fee (currently $750). If you are an entity and transfer less than 100% of the equity of the entity, the transfer fee will be our then-current administrative fee (currently $750) plus the product of $12,500 (as it may be adjusted by the consumer price index) multiplied by the percentage of the entity being transferred. The transfer fee under the Development Agreement is $12,500.
TRANSFER TRAINING FEE	$4,000	Prior to attending Training	This fee for the transferee and one other individual to attend our ten-day training program.
LATE FEE	A monthly amount equal to 2% of delinquent amount (subject to applicable law)	On demand	Payable to us, if you fail to pay fees or other amounts when due.
RENEWAL FEE	75% of the then current initial franchise fee. If we have not notified you in writing of your default or breach of the	Before renewal is effective	You pay this fee to us to renew your agreement for another term of 10 years.

Type of Fee	Amount	Due Date	Remarks
	franchise agreement, the renewal fee is 50% of the then current initial franchise fee		
LIQUIDATED DAMAGES/Deviation from standard	$1,000 per breach and $1,000 for each day that the breach continues or occurs, up to a maximum of 30 days or $30,000	Discovery by us of a failure by you to adhere to our standards	If you fail to adhere to our standards, in addition to our other remedies we can charge you these liquidated damages.
LIQUIDATED DAMAGES/ Termination	The greater of (a) 10% of your gross sales for the last 12 consecutive months or (b) $100,000	Upon demand	Our rights are in addition to any other remedy or rights we may have.
INSURANCE	Amount of unpaid premiums	On demand and as incurred.	Payable to us, if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
MANAGEMENT FEE	For each month of your Store's management by us, you pay us the greater of $10,000 or 10% of Gross Sales. You must also pay the actual compensation and expenses for the Store manager.	On demand	Payable to us, if we elect to manage your Store pending our purchase of assets of your Store or if we take over your Store because of harm to our marks, system, or danger to public safety.
SUPPLIER EVALUATION FEE	Reimbursement of our expenses estimated to be $1,000 - $5,000.	On demand	Payable to us, if you want us to evaluate a proposed new supplier for any goods or services.
DESIGN REVIEW	$5,000 plus such additional amounts as necessary to compensate us for time spent working with an unapproved architect	On demand	Only payable if you use an architect that is not approved by us.
INSUFFICIENT FUNDS FEE	$200	On demand	If we debit your bank account electronically and there are insufficient funds, we will assess a fee of $200 to compensate us for our costs associated

Type of Fee	Amount	Due Date	Remarks
			with the returned payment.
INDEMNIFICATION	Actual Cost	As incurred	You must defend us and reimburse us if we are named in any lawsuit and/or held liable for claims arising out of the Store's operations or your acts or omissions.

Footnotes:

(1) All fees are imposed by and are payable to us. All fees are non-refundable. Unless otherwise indicated, all fees are imposed uniformly for new franchisees. Existing franchisees' agreements may have terms and fees different than yours. You must sign bank authorizations that we request to allow us to debit royalties, fees, charges, product purchase payments, and all other amounts due to us, directly from your bank account or credit card. See Authorization for Pre-arranged Payment (Direct Debit) (Exhibit "H" to this document).

(2) "Gross Sales" means all sums or things of value you receive from your Egg N Bird Store from all sales or other transactions for goods and services whether for cash, check, credit, barter, or otherwise. Gross Sales will be calculated before any deductions for service fees, commissions, license fees, membership fees, or the like retained by online ordering platforms, service providers, or otherwise. Gross Sales do not include refunds to customers, discounts, or the amount of any sales taxes separately itemized, collected from customers for payment to a federal, state, or local taxing authority and actually paid to that authority, as we define in our training materials and Operations Manual.

(3) As of the date of this disclosure document, there were no purchasing or advertising cooperatives. Accordingly, company/franchisor owned outlets did not have voting power on any fees imposed by such cooperatives.

(4) "Under reporting" means there were sales not included in your sales report to us.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure	Amount Low	High	Method of Payment	When Due	To Whom Payment is to be made
INITIAL FRANCHISE FEE[2]	$39,000	$39,000	Lump Sum	At Signing of Franchise Agreement	Franchisor
TRAINING FEE per person[3] for additional trainees	$2,000	$4,000	Cash	One Week Before Training	Franchisor
TRAVEL AND LIVING EXPENSES WHILE TRAINING[4]	$1,000	$4,000	Cash	Before Opening, as incurred	Airline, hotel, restaurants
TRAVEL AND LIVING EXPENSES FOR OUR STAFF TO PROVIDE ON-SITE OPENING ASSISTANCE[5]	$3,000	$5,000	Cash	On Demand	Franchisor
RENT & LEASE DEPOSIT[6]	$5,000	$20,000	Lump Sum	Before Opening	Landlord
CONSTRUCTION, REMODELING AND LEASEHOLD IMPROVEMENTS[7]	$200,000	$400,000	Cash	Before Opening	Third Party Contractors
SIGNS (indoor and outdoor) & exterior branding[8]	$10,000	$35,000	Cash	Before Opening	Supplier
TECHNOLOGY EQUIPMENT, INCL., NETWORK, TELEPHONE, SECURITY SYSTEM, MEDIA, DIGITAL MENU SYSTEM[9]	$10,500	$14,000	Cash	On Demand	Supplier
EQUIPMENT & SMALLWARES, UNIFORMS AND FIXTURES[10]	$150,000	$200,000	May vary	Will vary	Various Suppliers

Type of Expenditure	Amount Low	High	Method of Payment	When Due	To Whom Payment is to be made
POS SYSTEM[11]	$10,500	$14,000	Lump Sum	Before Opening	Supplier
OPENING INVENTORY[12]	$12,000	$18,000	Cash	Before Opening	Various Suppliers (which may include our affiliates)
UTILITIES DEPOSITS, BUSINESS LICENSE[13]	$1,000	$3,000	Cash	Before Opening	Municipality
INSURANCE[14]	$2,500	$3,500	Cash	Before Opening	Insurance Co.
OPENING ADVERTISING[15]	$10,000	$10,000	Cash	Before Opening	Various Advertising Vendors
ARCHITECT, PERMITS[16]	$20,000	$28,000	Cash	As Needed	Architect
LIMITED CONSTRUCTION PROJECT MANAGEMENT SERVICES FEE[17]	$6,000	$6,000	Cash	On Demand	Franchisor
ATTORNEY AND OTHER PROFESSIONAL FEES	$2,500	$7,500	Cash	Before Opening	Your professional advisors
ADDITIONAL FUNDS- First 3 months of operations[18]	$25,000	$35,000	Cash	As Needed	Various
TOTAL[19]	**$510,000.00**	**$846,000.00**			

(1) This table estimates your initial investment from the period before your Store opens for business, through about 3 months of operations. We used our own experience in operating an Egg N Bird Store and that of our affiliates to make these estimates. These are only estimates. The high estimate does not include the additional expenses if your Store is developed as a drive-through, which are reflected in the notes below. We reflect the estimated additional costs (which estimates are solely based on our research) for a drive-through location in the notes below. The sources of funds listed above are amounts to be supplied from your own funds. No allowance has been made for inflation or debt service or interest payment on borrowed money but you should consider these. Unless specifically noted, none of the initial investment expenses listed in the table is refundable. We do not finance your initial investment.

(2) Except as expressly provided in Item 5, this initial franchise fee is uniform to all new franchisees. We do not currently offer financing of the initial franchise fee or of any equipment that you must purchase from us. See Item 10.

(3) For new Stores, we provide initial training at no additional charge for a total of two Store management persons designated by you (subject to our approval) at our office, our store location, a franchised location, or other location we designate. Unless you have already successfully completed the initial training, you will be required to do so. We charge for each additional person trained the amount we estimate as necessary to cover our expenses. The low end of the total range of initial investment below assumes you elect to have two persons trained initially. The high end of the total range assumes you elect to have one additional person trained initially (three total) and for which additional trainee we charge a fee of $4,000.

(4) You must arrange and pay for yourself and your manager to attend our initial training program including, transportation, lodging, meals, and wages. The amount spent will depend, in part, on the distance you must travel and the type of accommodations you choose. The low estimate assumes you do not incur travel and lodging expenses for you or your manager during the initial training program. The high estimate assumes you and your manager incur travel and lodging expenses during training.

(5) Estimated travel and living expenses for our staff to provide on-site opening assistance to you for up to 5 days. The low estimate assumes minimal travel expenses because your Store is located near our headquarters. The high estimate assumes our staff incurs airfare and lodging costs during on-site opening assistance. We will increase the fees to compensate for travel expenses as needed to manage unexpected or unusual expenses. If you develop a Store with a drive through the estimated travel and living expenses will range from $5,000 to $10,000.

(6) This range represents the estimated cost to you for rent payments to the owner of the facility where your franchise is located. This estimate assumes rent for approximately 3 months, security deposit, and last month's rent. Your actual rent may vary significantly. Rent expenses for your facility may vary, based on location, square footage, age, and condition of the structure, lease arrangements, and other factors. The typical Store will be approximately 1,500 to 2,000 square feet. The high estimate assumes your Store is in a high-cost rental market. If you develop a Store with a drive through the estimated rent and deposit will range from $15,000 to $30,000.

(7) We estimated the cost, including labor cost, of construction, remodeling and leasehold improvements for a new Egg N Bird Store. The cost of construction, remodeling and leasehold improvements depends on the size and condition of the premises, the local cost of contract work, layout, and location of the Store. The range for a Store is the cost of reasonable renovation or leasehold improvements and may be less if the landlord provides you a tenant improvement allowance. The low-end estimate reflects that of a second-generation space in which use of existing plumbing, kitchen, and restroom infrastructure can be used. If you develop a Store with a drive through the estimated construction costs will range from $650,000 to $1,500,000.

(8) This range of expenses represents the estimated cost for signage and exterior branding at your location. The low estimate assumes minimal use of fixed (one exterior sign) and temporary ("coming soon" and "now open") banner signage. You will be required to install at least one exterior sign, one-two interior illuminated signs, and various sized interior graphics. Awnings are

required, where allowed. If you develop a Store with a drive through the estimated signage expenses will range from $20,000 to $50,000. The estimates do not include a pole sign or monument sign.

(9) This range of expense represents the initial cost of technology equipment including but not limited to network equipment, phone system, security system, media, ecommerce equipment, and digital menu system. There are monthly costs associated with the equipment and service estimated at $2,000 to $2,500. If you develop a Store with a drive through the estimated technology equipment costs will range from $20,000 to $30,000.

(10) You must purchase or lease furniture, fixtures and equipment. The cost of this equipment and fixtures will depend on the size of the facility, brands purchased (if other branded items are used, they still must meet our size and specifications standards, and our specific written approval), and other factors. All equipment, furniture, fixtures, and similar items must be purchased or leased from us or from our designated suppliers. If you develop a Store with a drive through the estimated expense for furniture, fixtures and equipment will range from $150,000 to $310,000.

(11) The Egg N Bird POS System has two or three stations. The third station is added for a drive thru location. This POS System costs between approximately $9,500 for two stations and $12,500 for three stations with recurring monthly fees of $350 to $475 payable to the POS System vendor. Depending upon the layout of the kitchen in your Store, the number of kitchen units may vary. These costs and fees are subject to change as hardware models and software additions may change over time. The range represents costs of the POS System and three months' recurring fees. You must allow your POS System to be configured in such a manner that will allow remote data review by us, and which will allow changes to be made remotely. If you develop a Store with a drive through the estimated technology equipment costs will range from $10,500 to $17,000.

As a business that will accept credit cards, you will be required to maintain PCI DSS Compliance and any other applicable organizational or governmental requirement. You must adhere to the Payment Card Industry Data Security Standard (PCI DSS) which is a worldwide information security standard defined by the Payment Card Industry Security Standards Council. This currently must also include a business grade firewall, along with baseline security checks, best practices, procedures, training, and all other standards as defined by the PCI Security Standards Council. You must complete an annual PCI self-assessment at an approximate cost of $100.

(12) Estimated cost for opening inventory to operate your Store. This is payable to our approved suppliers.

(13) Estimated costs for a business license, health department license, and food management license. The cost of required licenses varies by jurisdiction. These licenses and permits typically must be obtained from the City, County, and/or State. Also includes estimated costs for utility companies' deposit for installing telephone, Internet, gas, water, electricity, and other utility services. This deposit may be refundable in accordance with agreements made with utility companies. These costs can vary greatly based upon your location, local utility rates and the particulars of your Store.

(14) Estimated one-year premium for required insurance. Insurance premiums may vary based on sales and location. You will carry continuously during the term of the franchise insurance of

the types (including property, workers' compensation, and various special liability coverages), in the amounts, and with the coverages the Operations Manual specifies from time to time. Until the Operations Manual specifies otherwise, you must obtain broad form comprehensive general liability coverage including products liability, contractual liability, and advertising injury coverage of at least $2,000,000 aggregate naming us as additional insured and with not more than $10,000 deductible; fire and casualty insurance on the Store and your property; business interruption insurance; and worker's compensation, employer's liability coverage of at least $2,000,000 per occurrence, unemployment, and state disability insurance as required by law. It is your responsibility to insure we receive a copy of all policy documents from all insurers. We have the right to revise coverage and coverage amounts you must obtain and maintain. If you develop a Store with a drive through the estimated premium will range from $2,500 to $5,500.

(15) Before and after opening, you must conduct grand opening advertising. You must spend a total of $10,000 for your grand opening advertising.

(16) Estimated charges for you to consult with an architect approved by us to design and prepare plans, as well as costs for obtaining permits. It is important to note that a drive thru location is likely to exceed the high-end estimate. In the event you prefer to use an architect that we have not approved, we will require a minimum payment to us of $5,000 to compensate us for our time spent and our resources in working with your preferred architect on fully understanding the needs of our brand. This amount is based on our experience in working with architects not previously approved by us. If you develop a Store with a drive through the estimated cost for architect and permits will range from $30,000 to $70,000.

(17) You must pay us a limited construction project management services fee of $6,000 to us for providing you with a preliminary floor plan layout and prototype design development package for your Store, and for the limited construction project management services we provide to you during the design and construction phase of your build-out. In addition, you must reimburse us our actual out-of-pocket hard costs incurred (such as travel expenses, government fees, etc., which we estimate will cost from $0 to $5,000).

(18) Additional Funds are the minimum recommended levels to cover operating expenses, including payroll expenses for 3 months. These figures include estimated payroll costs. for your associates We do not include the salary for the Store manager, on the assumption that you will manage the Store. Additional working capital may be needed if sales are low or fixed costs are high. We based this estimate on our principal's eight years' experience in the restaurant business. If you develop a Store with a drive through, the estimated additional funds will range from $25,000 to $45,000.

(19) There could be other factors not listed that may affect your initial investment. If your expenses exceed the high amounts in one or more categories your total investment could exceed the high estimate. We prepared these estimates based on our and our affiliates' experiences in constructing and operating the Stores in California. These estimates do not provide for costs of financing. You should not plan to draw income from the operation during the start-up and development stage of your business, which could be longer than the three months covered by the table. You should have additional funds available, whether in cash or through a bank line of credit, or other assets which you may liquidate or against which you may borrow, to cover other expenses and other operating losses during your start-up and development stage, or beyond.

YOUR ESTIMATED INITIAL INVESTMENT FOR DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
Development Fee (See Note 1)	$57,000- $111,000	Lump Sum	At Signing of Development Agreement	Franchisor
Additional Funds	$25,000 - $35,000	Cash	As Needed	Various
TOTAL	$82,000 - $146,000			

NOTE 1: This fee is payable and fully earned upon signing the Development Agreement. This development fee is uniform to all franchises being offered in this state covered by a Development Agreement and is not refundable, in whole or in part, under any circumstances. The development fee will be applied toward the Initial Franchise Fee payable under each Franchise Agreement you enter into under the Development Agreement (one Franchise Agreement for each location developed) as follows: for the first Franchise Agreement - $39,000 and for each additional Franchise Agreement - $18,000. We charge an Initial Franchise Fee of $39,000 for each Franchise Agreement signed pursuant to an Area Development agreement. The low estimate represents the Development Fee for two locations and the high estimate represents the Development Fee for five locations. The high estimate is provided as an example and does not reflect a minimum or maximum number of Stores we may allow you to develop under an Area Development Agreement.

NOTE 2: You will also need funds for working capital to pursue your development obligations. We are unable to estimate the extent of your working capital needs, which will depend in large part on the number of Stores you must develop. Our current estimate of the initial investment for each Store you open is described above.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We consider the reputation, good will, high standards, and uniformity of Stores to be important to our success. Accordingly, there are products you must purchase from us and our designated or approved suppliers and vendors (including our affiliates) in accordance with our specifications and guidelines. All equipment, fixtures, supplies, inventory, and signs for use or sale in your Store must meet our specifications. (Franchise Agmt. §§ 7.15, 7.17, 8.5). We can revise our specifications and guidelines on written notice to you. These standards are prescribed in the Manual and other written communications made available to you.

You must hire and use at your expense a real estate broker approved by us to assist you to locate proposed sites for your Store and negotiate the terms and conditions of your lease or purchase agreement for the location accepted by us. You must also use a licensed architect accepted by us and/or general contractor accepted by us to conduct a site survey and to prepare as-built drawings for the job site after the lease for your Store is signed. You must also use an Egg N Bird -approved general contractor to construct your Store.

You must purchase all food ingredients, materials, and equipment from us or from third-party sources we designate or approve. (Franchise Agmt. §§ 7.15, 7.17) We can require you to purchase and use specific brand items in operating your Store. We will lend you a Manual during the term of your Franchise Agreement, which may be made available to you through a password protected internet website or intranet. The Manual will contain specifications and standards developed by us and which you must strictly follow. We reserve the right to modify the Manual at any time. (Franchise Agmt. §§ 3.1-6, 7.10, 7.20, 7.21) The recipes, formulations, and specifications of all Egg N Bird Products are trade secrets belonging exclusively to us. You must purchase all chicken, bread, spice mixes, breading mix, ingredients and all other items for the preparation of Egg N Bird products from us or our designated or approved suppliers and vendors as specified in the Confidential Business Operations Manual. (Franchise Agmt. § 7.15, 7.17, 7.26)

We and/or our affiliates are the sole providers of the Egg N Bird proprietary recipes, menu items, and soft goods, such as napkins, paper cups, boxes, and other items, which are part of the Egg N Bird System and which use our trademarks. Other supplies are provided by approved suppliers. Purchases of unapproved products or from unapproved vendors in violation of the franchise agreement will entitle us, among other things, to terminate your franchise agreement. We negotiate purchase arrangements with our suppliers for the benefit of our franchisees. We will supply you with our list of suggested and preferred suppliers, which may be updated from time to time in our sole discretion. (Franchise Agmt. §§ 7.15, 7.17, 7.26)

You must purchase a complete POS System that we designate and meets specifications we set. You must purchase, service, and maintain the POS System at your cost. We will require that the POS System connect electronically with and provide electronic access from our equipment. The specifications for the POS are listed in Item 11. (Franchise Agmt. Section 7.18)

We may also designate an affiliated entity as an approved supplier of items for the operation of the franchised business including products, materials, services, supplies, equipment, and facilities.

Other than the franchisor and our affiliate Joseph Trading, Inc., there are no approved suppliers in which our officers own an interest.

If you want to offer something we have not approved, or buy from a supplier we have not approved, you must first obtain our written approval, which we may withhold in our discretion. In seeking our approval, you will first need to notify us in writing, provide us samples and other information we require to evaluate the product and supplier (other than an architect) and reimburse us for our expenses incurred in the evaluation. (See Item 6.) We may require you to provide us information on the history and credit rating of the proposed supplier, description of items you want to purchase from the proposed supplier, information relevant to the proposed supplier's ability to satisfy our standards, ability to provide reliable service, references, and other information that we may request or designate. You must arrange for the proposed supplier to cooperate in testing or analyzing the supplier's products at your or the supplier's expense, to enable us to determine if the supplier and proposed items to be purchased are of satisfactory quality, reliability, and other characteristics. We will try to notify you in writing of our decision regarding the proposed supplier and the reasons for any disapproval, all within 15 business days after our receipt of all information that we deem necessary to make our decision. If we do not approve a proposed product or supplier within such 15-day period, the request for approval will be deemed denied.

(Franchise Agmt. § 7.16) You may not contract directly with any proposed supplier until you obtain our written consent. We may revoke approval of suppliers or introduce new suppliers at any time. If we do so, we will notify you in writing and you must comply.

In the event you prefer to use an architect that has not been approved by us and we consent to your preference, we charge you a minimum fee of $5,000 to compensate us for the time our staff will likely spend working with your architect to ensure that he or she fully understands the needs of our brand and image. (Franchise Agmt §7.2)

We are entitled to the benefit of all discounts, volume rebates, administration fees, commissions, advertising allowances, or other advantages that we may obtain from any person supplying products or services to you or to other franchisees. (Franchise Agmt. § 7.15, 7.17) We currently have arrangements to derive revenue from your purchases or leases from third parties. There aren't any purchasing or distribution cooperatives. We do not provide material benefits to you based on your use of our designated or approved sources.

We and our affiliates may derive revenue or other material consideration from your purchases from us, our affiliates, and certain other suppliers. Because we were incorporated in 2021, we had no revenue prior to that. We received no revenue from required purchases and leases of products and services. For the year ending December 31, 2020 we received $0.00 in total revenue from commissions and other benefits from unaffiliated suppliers, which range from zero to ten percent of the price to our franchisees.

The purchase of required items (equipment, products and services) will represent substantially all of your overall purchases in establishing your business and will represent from 85 to 90% of your overall purchases in operating your business.

As we assess consumer preferences and trends in the marketplace and develop new marketing techniques, products, and services, we anticipate that we will formulate and modify our standards and specifications and our approved suppliers and we will notify you of these developments through amendments to our confidential operations manual, newsletters, or other bulletins. (Franchise Agmt. §§ 3.4, 4.4)

All Egg N Bird Stores must meet the construction and appearance as well as equipment standards in our then-current manual or written directive. We will provide you a list of approved companies and contractors for this purpose. (Franchise Agmt. §§ 7.3, 7.15, 7.17, 8.2, 8.5)

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.

FRANCHISE AGREEMENT

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agmt, §§ 1.2, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5	Items 11 and 17
b. Pre-opening purchases/leases	Franchise Agmt, §§ 6.2, 7.1, 7.2, 7.3, 7.9, 7.12, 7.15, 7.17, 7.18, 7.22, 7.23, 7.25, 7.26, 7.31, 7.32, 7.33, 8.1 – 8.5	Items 6, 7, 8, 11, and 17
c. Site development and other pre- opening requirements	Franchise Agmt, §§ 1.2, 6.2, 7.1, 7.2, 7.3, 7.6, 7.9, 7.12, 7.15, 7.17, 7.18, 7.20, 7.21, 7.22, 7.23, 7.25, 7.26, 7.31, 7.32, 7.33, 8.1- 8.5	Items 6, 7, 8, 11, and 17
d. Initial and on going training	Franchise Agmt, Section 4 and 6.3	Items 5, 6, 7, 11, and 15
e. Opening	Franchise Agmt, §§6.7, 7.2, and 8.4	Items 7 and 11
f. Fees	Franchise Agmt, §§ 4.4, 4.5, 4.6, 4.7, 4.9, 5.1, 6, 7.2, 7.16, 8.2, 8.3, 8.4, 9.3, 9.10(c), and 11.3	Items 5, 6, 7, 11
g. Compliance with standards and policies/ Operating Manual/	Franchise Agmt, §§ 1.1, 3, 7, 8.2, 9.3, 16.7, 16.8 and 16.25	Items 8, 11, and 16
h. Trademarks and proprietary information	Franchise Agmt, §§ 1.1-1.3, Sections 2, 4.8, and 10	Items 13 and 14
i. Restriction on Products/ Services offered	Franchise Agmt, §§3.5, 3.6, 5.3, 5.6, 7.1, 7.7, 7.8, 7.10, 7.15 - 7.18,7.20 – 7.27, 7.29, 8.2, 8.3, and 8.5	Item 16
j. Warranty and customer service requirement	Franchise Agmt, §§ 7.10, 7.11, 7.19 – 7.21, 7.27	Item 11
k. Territorial development and sales quotas	Franchise Agmt, § 1	Item 12
l. On-going products/ service purchases	Franchise Agmt, §§5.1(c), 7.1, 7.10, 7.15 – 7.18, 7.20 - 7.22, 7.25 – 7.27, 9.3	Item 8
m. Maintenance, appearance and remodeling requirements	Franchise Agmt, §§ 3.5, 7.3, 7.10, 7.15, 7.16, 7.17, 7.20 – 7.22, 7.24, 7.25, 8.2 - 8.5, 9.3	Item 11
n. Insurance	Franchise Agmt, Section 12.1	Item 7
o. Advertising	Franchise Agmt, §§ 5, 6.6, 6.7, and 6.9	Items 6 and 11
p. Indemnification	Franchise Agmt, § 12	Item 6
q. Owner's Participation/ Management/ Staffing	Franchise Agmt, §§4.2, 4.3, 4.4, 4.6, 4.7, 4.9, 5.6, 7.5, 7.6,	Items 11 and 15

Obligation	Section in Agreement	Disclosure Document Item
	7.7, 7.9, 7.11, 7.30, 7.33, 9.3, 9.6(j) and (k), 9.9, Articles 10, 11, 13 and 15, Section 16.1, 16.16, Sections 17.1 and 17.2, and Article 18 Personal Guaranty	
r. Records/ Reports	Franchise Agmt, §§ 6.14, 6.15,7.13, 7.14, 7.33	Item 6
s. Inspections/ Audits	Franchise Agmt §§6.14-6.15 and 7.10	Items 6 and 11
t. Transfer	Franchise Agmt, §6.13, Article 11	Item 17
u. Renewal	Franchise Agmt, §§ 6.17, 9.2-9.3	Item 17
v. Post-termination Obligations	Franchise Agmt, §§ 9.7 - 9.10, Article 10 Non-compete & Non-disclosure Agrmt, all sections	Item 17
w. Non-competition covenants	Franchise Agmt, §§10.4-10.6 Personal Guaranty, Paragraph 3 Non-compete & Non-disclosure Agrmt, all sections	Items 16 and 17
x. Dispute Resolution	Franchise Agmt, Article 15	Item 17
y. Non-Competition and Non-Disclosure requirements for your managers	Franchise Agmt, §§10.2, 10.6 Non-compete & Non-disclosure Agrmt, all sections	Item 17

DEVELOPMENT AGREEMENT

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	§ 5	Items 5, 7, 11, and 17
b. Pre-opening purchases/leases	Not applicable	Not applicable
c. Site development and other pre- opening requirements	Not applicable	Not applicable
d. Initial and on going training	Not applicable	Not applicable
e. Opening	§ 6 and Exhibit B	Item 11
f. Fees	§§ 4, 6.2	Items 5, 6, 7, and 11
g. Compliance with standards and policies/ Operating Manual	§§2.1, 3.2.3-3.2.6	Not applicable
h. Trademarks and proprietary information	§§2.4	Items 13 and 14
i. Restriction on Products/Services offered	§§ 2.1, 3.2.3-3.2.6	Not applicable
j. Warranty and customers service requirement	Not applicable	Not applicable

k. Territorial development and sales quotas	§ 6 and Exhibit "B"	Item 12
l. On-going products/ service purchases	Not applicable	Not applicable
m. Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n. Insurance	Not applicable	Not applicable
o. Advertising	Not applicable	Not applicable
p. Indemnification	§ 8.1	Item 6
q. Owner's Participation/ Management/ staffing	§ 7.2	Not applicable
r. Records/ Reports	Not applicable	Not applicable
s. Inspections/ Audits	Not applicable	Items 6 and 11
t. Transfer	§ 7	Item 17
u. Renewal	Not applicable	Not applicable
v. Post-termination Obligations	§§3.2, 3.3	Item 17
w. Non-competition covenants	Not applicable	Not applicable
x. Dispute Resolution	§§8.9-8.18	Item 17
y. Non-Competition and Non-Disclosure requirements for your managers	Not applicable	Not applicable

ITEM 10
FINANCING

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

If you are a corporation, partnership, or limited liability company, the respective shareholders, officers, partners, and members, must personally guarantee your obligations under the Franchise Agreement.

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

Except as listed below, Egg N Bird is not required to provide you with any assistance.

1. <u>Before you open your business, we will</u>:

A. Assist you to obtain information regarding potential locations and review your proposed location within a designated area. Subject to the limitations in the Franchise Agreement we will review one or more additional proposed locations in the event your initial proposed location is disapproved. When you sign your Franchise Agreement, if we have not already accepted a site for your proposed Store, we will accept a general area, where you can search for a location. You must locate and evaluate prospective sites for a Store within the general area we designate. We will determine the general area taking into account your geographic preferences, as listed in your application, and our business preferences and availability. You may not open a location that we do not accept. We will generally accept or not accept your proposed site within two (2) weeks from your request for approval.

In evaluating the site, we may consider many factors such as size, appearance, and other physical characteristics of the premises, and demographic characteristics, traffic patterns, competition from other businesses in the area, and other commercial characteristics. You must provide us a copy of the fully signed lease within 5 business days of its signing. Our acceptance of a particular site is not a recommendation or guarantee as to suitability of the proposed site for a Store. We are not responsible for the success of your Store and we do not guarantee that a site accepted by us will meet your expectations as to potential revenue or operational criteria. If we cannot agree on a location for your franchise within six months of the signing of your Franchise Agreement, you or we have the right to terminate your franchise. There are no refunds. of the franchise fee. (Franchise Agmt. § 8.1) We may, in our sole discretion, extend your deadline to open your Store for business by written notice to you.

B. Provide you with a prototype design development package. You must hire and use at your expense an Egg N Bird -approved, licensed architect or general contractor to conduct and submit to us a site survey and an architect to prepare and submit to us as-built drawings for the job site after the lease for your Store is signed and prior to preliminary floor plan, and interior and exterior designs being completed. Following our receipt of these materials, we will provide you with an equipment list and specifications, and furnish material specifications for the Store, based on your as-built drawings. You and your architect must, at your expense, ensure the plan layout and specifications for the Store will meet all applicable federal, state and local laws and regulations, as well as the landlord's requirements. You must submit to us a complete set of final plans and specifications prepared by an Egg N Bird -approved, licensed architect before starting construction of the Store. We will review and either approve or provide comments on the plans and specifications. You must not start construction of the Store until we have approved in writing the final plans and specifications. You must not modify any plans or specifications that we approved without first obtaining our written consent to the modification. (Franchise Agmt. § 8.2) You are solely responsible to construct and develop the Store and to obtain any financing needed to do so. You must retain only licensed contractors approved by Egg N Bird to perform the construction.

C. We also provide you information regarding sources and requirements for signage, equipment, fixtures, furnishings, improvements, supplies, and other products for the operation of a typical Egg N Bird Store. (Franchise Agmt. § 8.5) You are responsible to conform the premises to local ordinances and building codes, obtaining required permits, and complying with all health and safety and all other applicable codes and regulations. (Franchise Agmt. §§ 7.12, 7.23, 7.33)

We will provide assistance and supervision to your selected Egg N Bird -approved architect and Egg N Bird -recommended contractor to ensure compliance with our layout and design requirements. We charge a fee of $6,000 for this service as stated in Item 5. (Franchise Agmt. §§ 6.2) You must pay us the limited construction project management fee at the time you sign your Franchise Agreement. The fee is for our limited construction project management services, which include:

- assistance in your selection of the general contractor; you sign all contracts, submit paperwork to all vendors, and are responsible for all billing;

- general guidance to you and the general contractor on the construction work during the construction process; our representative makes two site visits (travel costs to be reimbursed by you):

  - First visit will typically be scheduled during the third week of construction;

  - Second visit will typically be scheduled at the end of construction;

  - Any additional visits will be $1,000 per day, plus reimbursements to us for our expenses;

- you must report on a regular written basis to us on the progress of the construction and other issues related to the lease and construction;

- we provide general information and explain the Store build-up checklist, process milestones, equipment layout for the architect, kitchen & service area fixtures, equipment, graphics, small wares and POS system;

- we provide reasonable assistance to your opening team, at our discretion, with training prior to your grand opening;

- we will conduct a final walk-thru of the Store before the Store may open for business.

You must obtain written approval from us to open the Store.

You have up to six (6) months from the date of signing of the franchise agreement to secure an approved site and sign a lease for your Egg N Bird Store. You must open for business to the public within one hundred fifty (150) days after the landlord delivers the premises to you or you accept possession of the premises, whichever is earlier ("Delivery Date"). In the event you fail to open your Store on or before the 151st day after Delivery Date, you will be required to commence paying the base royalty rate of $4,000 each month until your Store opens for business to the public, unless we choose to waive or reduce this royalty. Once your Store opens for business to the public, you are required to pay royalty and marketing fees based on gross sales as provided in the franchise agreement. We may, in our sole discretion, extend your deadline to open your Store for business by written notice to you.

If you enter into a Development Agreement, upon our approval of a location, we will give you a copy of our then-current disclosure document, if required by applicable law, together with one (1) signed copies of the Franchise Agreement for the location. (Dev. Agmt. Section 2.1)

2. Time to Open Your Business: Typically, the time it takes from the date a franchisee signs the Franchise Agreement (and pays the Initial Franchise Fee) to the date the franchisee opens the Store for business is approximately nine to twelve months. Critical factors that make up this period are: locating an acceptable site for the Store, negotiating a lease, obtaining plans and permits, constructing and equipping the interior of the Store, obtaining and installing signs, fixtures and décor items, obtaining inventory, and hiring and training employees.

3. During the operation of the franchised business, we will:

A. Provide you information about sources and requirements of products and services that you are required to obtain from us or from other approved vendors, if any. (Franchise Agmt. §§ 7.15, 7.17, 8.5)

B. Furnish you guidance and operating assistance, at your reasonable request and our discretion, about (1) methods, standards, specifications, and general operating procedures utilized by Egg N Bird Stores, (2) approved equipment, fixtures, furnishings, signs, products, and supplies, and (3) developing local advertising and promotional programs. We may furnish this guidance in our Operations Manual, bulletins and other written materials, telephone consultation, and electronic computer messages. (Franchise Agmt. §§ 3, 5.1 B-D, 5.5, 5.6, 7.20, 7.21, 7.22, 8.3, 8.4, 8.5) We will also alert you of new product developments and upon request try to help with any operating problems you encounter, as we deem appropriate.

C. Inspect your Store, as we deem appropriate. (Franchise Agmt. § 6.14, 7.10)

D. Provide training for new Store managers and additional training when deemed appropriate by us. If you ask and we agree to provide additional training, you must pay our then current rates for the additional training or assistance. (Franchise Agmt. § 4.4 - 4.7)

E. Provide suggested pricing to you. (Franchise Agmt. § 7.28)

4. Advertising.

A. System Advertising

We may create or hire an agency as we determine to create advertising for the System. The choice of media for System advertising is solely ours as is the geography in which the advertising is displayed. We are not obligated to spend any particular amount or percentage of advertising dollars on any particular geography, Store or group of Stores. At our discretion, advertising expenditures may be made nationally, regionally, or locally.

You may submit proposed advertising to us for our review and approval or disapproval as we determine. You must not display any advertising that has not been approved by us.

Currently there is no advertising council comprised of franchisees that advise us on advertising policies.

You will contribute two percent (2%) of your gross sales per month to the Marketing Fund. (Franchise Agrmt. Section 5.1, 6.6) We have the right to modify the percentage of gross sales that you must contribute, provided that we will not establish a contribution rate greater than 5% of your gross sales. (Franchise Agmt. §§ 5.1, 6.6) If you are late in your marketing fund payments, you will contribute two and one-half percent (2.5%) of your gross sales per month to the Marketing Fund. See Item 6. Through December 31, 2023 (which date we may extend in our discretion), we will rebate to you from the Marketing Fund an amount equal to the amount you spend for approved local marketing expenditures in addition to those expenditures otherwise required by your franchise agreement. In no event will these rebates exceed the Marketing Fund payments you make to us.

The Marketing Fund will be used for advertising, marketing, public relations, and related purposes that we solely deem appropriate. The Marketing Fund may be used to pay costs of marketing surveys and research; employing public relations firms; developing and maintaining Internet website communications; preparing and producing video, audio, and written marketing materials; buying Internet, TV, radio, magazine, billboard, newspaper, and other media advertising, placement, time, and distribution; employing advertising agencies; providing or selling marketing materials to Egg N Bird Stores; holding conventions and meetings for personnel of Egg N Bird Stores; and paying costs to account for and report on contributions, expenditures, and related activities of the Marketing Fund. (Franchise Agmt. § 5.1.B.) We may use Marketing Fund revenue for local, regional, or national coverage, at our discretion. We may also use the Marketing Fund to rebate franchisees for certain costs and expenses.

We may use the Marketing Fund to develop and market promotional items. If so, then those promotional items may be made available to you for purchase. You must maintain a representative inventory of promotional items in accordance with our requirements. (Franchise Agmt. § 5.1.C.)

The Marketing Fund may develop programs that include special offers from the Marketing Fund or otherwise and discount coupons. You must honor all special offers and discount coupons. We have no obligation to reimburse you for any cost or discount related to acceptance of coupons or special offers. Your contributions to the Marketing Fund are non-refundable. (Franchise Agmt. § 5.1.D.)

We and our affiliates that operate Egg N Bird Stores may, but are not obligated to, make contributions to the Marketing Fund. (Franchise Agmt. § 5.1.F.)

We have the right, but are not obligated, to collect and contribute to the Marketing Fund any advertising or other rebates from suppliers or others we receive. (Franchise Agmt. § 5.1.G.)

We may but are not required to keep contributions to the Marketing Fund in accounts separate from our other funds. The Marketing Fund will not be used to defray our general operating expenses, except in accordance with the terms of the Franchise Agreement we may allocate a portion of the Marketing Fund (not to exceed 25%) to reimburse us for internal expenses (including an allocation of employee salaries) incurred in the operation of our marketing/advertising department and the administration of the Marketing Fund, which may include costs associated with developing, managing, and placing advertisements. (Franchise Agmt. § 5.1.H.)

We will oversee all programs financed by the Marketing Fund in our sole discretion including the creative concepts, materials, timing, placement, allocation, scope of advertising (local, regional or national), and other aspects. If we hire personnel, establish a department, or establish a separate entity for advertising and promotion, then we can use the Marketing Fund to pay for that. We are not obligated to cause Marketing Fund expenditures to benefit you equivalently or proportionately to your contributions, or at all, or to ensure that you or any one or more particular franchisees benefit directly or pro rata from uses of the Marketing Fund. (Franchise Agmt. § 5.1.I.) We are not required to spend any amount on advertising in the area where you or your Store is located.

We may spend in any fiscal year, more or less than the amount of contributions to the Marketing Fund made in that year. However, funds not spent in a fiscal year when contributed may be applied and used for Marketing Fund expenses in other years, which could also include payment of expenses from prior years. The Marketing Fund may borrow from us or others to finance operations and to cover deficits. (Franchise Agmt. § 5.1.J.) We have no present plans to use the Marketing Fund for solicitation of franchisees.

We or our designee will prepare an annual accounting of Marketing Fund expenditures annually and make it available to you on written request. The request must be received within 9 months following the end of the previous year to be valid. Because we began franchising in 2021 and have not started the Marketing Fund, the Marketing Fund was not used.

We may terminate or suspend operation of the Marketing Fund at any time, without notice.

We may restart the Marketing Fund after termination or suspension. (Franchise Agmt. § 5.1.L.)

B. Local and Grand Opening Advertising

Each month of the term you must spend two percent (2%) of your Gross Sales (as defined in the franchise agreement) on local advertising ("Local Advertising Expenditure"). You must submit proposed advertising to us and use the materials only after you receive our consent, which we may withhold at our discretion. We may restrict where you advertise. Your advertising must include trademark, copyright, and independent ownership notices that we request. You must provide us written verification of your advertising expenditures, in the form of monthly report and receipts showing proof of marketing efforts and expenditure by the fifteenth of each month for the preceding month. If you fail to submit receipts evidencing the full payment of the Local Advertising Expenditure for a period of 3 consecutive months, then we may withdraw from your account an amount equal to the amount not spent (the failure to submit receipts in accordance with our requirements is conclusive evidence of non-payment). We will then spend the amount collected on your behalf in a manner we deem sufficient. (Franchise Agmt. §§ 5.3, 6.7)

You must also spend in accordance with our requirements at least $10,000 on grand opening advertising to advertise the opening of your Store. (Fran. Agmt. § 6.7)

On request, we may provide you copies of advertising, marketing and promotion formats and materials that we prepared and that we consider suitable for use at local Egg N Bird Stores. We may charge you our cost to produce these materials, including reasonable allocation of overhead and any shipping, handling and storage charges, payable when the materials are ordered. These payments are not refundable. (Franchise Agmt. § 5.5)

C. Cooperative Advertising

We may designate a geographic area as an advertising cooperative that you must participate in. You'll participate and contribute to the cooperative according to its procedures. There is no requirement for franchisor owned outlets to contribute to the fund, although we anticipate that they will do so according to guidelines we establish. If we establish geographic areas of local or regional cooperative advertising, we may require you to become an active member and contribute those sums determined by a majority vote of the cooperative members but in no event less than two percent (2%) and no event more than five percent (5%) of your monthly Gross Sales. Contributions to a cooperative established by us will apply as a credit against the amounts you must spend for local advertising. (Franchise Agmt. § 6.9) We may elect to administer the cooperative advertising. At our option, we may require the cooperative to be governed by written governing documents. If and when created, these documents will be made available to franchisees for review. We may require the cooperative, as designated by us, to prepare annual or periodic financial statements and make them available for review by franchisees. We have the power to form, change, dissolve, or merge cooperative advertising. Currently, we have no cooperatives.

5. POS System

Before opening your Store, you must purchase a complete POS System and other hardware or software that may be designated at a later time as technology needs require. (Fran. Agmt. § 7.18) Our current POS System costs between approximately $9,500 for two stations and $12,500 for three stations (includes equipment, shipping, handling, and installation) with recurring monthly fees of $350 to $475 payable to the POS System vendor. These costs and fees are subject to change as hardware models and software additions may change over time. You must pay all third parties for the required maintenance, subscriptions, and upgrades for the POS System determine. The POS System will collect and maintain sales data and other data, such as configurations of POS software and system, discount usage, labor, and inventory we require. Currently, the POS software and system also collects and checks internet speed as well as information on model numbers and serial numbers of POS related hardware. The POS System currently also collects information on network technology such as existing hubs, switches, and firewalls, and also tracks new equipment and collects information on faulty or vulnerable security equipment. You must allow your POS System to be accessed by the Egg N Bird Technology Department and only in such a manner that will allow remote data review by us, and which will allow changes to be made remotely as necessary. The POS System requires a minimum standard of 25 MBPS down and 5 MBPS up.

We will have direct access to your POS System, when we want, to accomplish tasks such as downloading information logged by the registers. There is no limit on our right to access this information. You may not modify your POS System to impair or block our access to it or to impair your system for sending sales information or other information to a cloud-based or other system. This direct access also allows us to assist you in completing tasks.

We will designate an authorized repair center for your registers. You must pay all costs incurred to repair broken POS Equipment and to upgrade your POS System with new software or hardware when we request. There is no limit on how often we can ask you to do so. You must also purchase hardware support/advanced exchange service from the POS System vendor and renew as needed when terms expire. You should contact them directly for their maintenance and repair rates. We are not obligated for any maintenance, repairs, upgrades, or updates, or costs of any of those items.

As a business that will accept credit cards, you will be required to maintain PCI DSS Compliance and any other applicable organizational or governmental requirement. You must adhere to the Payment Card Industry Data Security Standard (PCI DSS) which is a worldwide information security standard defined by the Payment Card Industry Security Standards Council.

This currently requires maintaining a business grade firewall, along with baseline security checks, best practices, procedures, training, and all other standards as defined by the PCI Security Standards Council. The estimated annual cost of any optional or required maintenance, updating, upgrading, or support contracts is $4,500 to $6,000.

Software may also be installed on your computer system to allow temporary remote application monitoring of your POS System. You are expected facilitate this application and not interfere with this software for any reason. This software may be present on your Store's POS System on a temporary basis.

6. Confidential Business Operation Manual.

We will loan you one set of the Confidential Business Operation Manual for your Store. Alternatively, we will make it available online (Franchise Agmt. § 3.1). The table of contents of our Confidential Business Operation Manual is attached as Exhibit M. You must keep the contents confidential. We may add to, delete, supplement, or otherwise modify the contents of the Manual. You must promptly insert any revised pages or other forms of supplements into the loaned copy of the Manual. In any dispute about the contents of the Manual, our master copy will control. You must operate your Store in compliance with all the contents of the Manual. (Franchise Agmt. §§ 3.1- 3.6).

7. Training Program

We provide an eighteen (18) day initial training program of classroom training and hands-on training at an Egg N Bird company-operated location for a minimum of 2 people regardless of the type of franchise your purchase from us (you and your Store's general manager, who may be another owner of the franchise or an employee). (Franchise Agmt. § 4.2) Training is conducted as needed, but usually on a monthly basis. We anticipate training to take place at one or more of our Stores in Southern California. We reserve the right to provide training at other locations we designate. You and your fellow trainee must successfully complete the initial training program to our satisfaction before starting operations. We generally require training to be completed 2 to 4 weeks before the scheduled opening. We book your training once you have started construction. The initial training program outline is as follows:

INITIAL TRAINING PROGRAM
(under all Franchise Agreements)

Position	Hours of Classroom Training	Hours of In-Store Training	Location
Service Guide	8	24	Location varies, one of Regional Corporate Offices.
Shift Supervisor	16	32	Location varies, one of certified corporate owned training Stores.
General Manager / Owner	32	112	Location varies, one of certified corporate owned training Stores.
TOTAL TRAINING HOURS	56+*	168+*	

*Our Training Program will require approximately 9 hours of independent study.

Our instructional materials will consist primarily of our Operations Manual and other written handouts we may elect to provide you.

We provide you with initial training for a minimum of 2 people (you and your Store's general manager) at no charge. If you want additional persons trained, we charge $4,000.00 to provide Brand training. You must pay for your and your staff's compensation, meals, travel, lodging, and other expenses while training.

During every shift of the Store's operation, at least one member of your operating staff must be an approved ANSI Food Safety manager, as certified by your local officials.

If we determine you need additional training in any particular area, we will try to provide the requested training to you. You must reimburse us for our reasonable estimate of our additional costs associated with the additional training. (Franchise Agmt. §§4.4 - 4.7). Training is coordinated by Tesla Sellers, Training Specialist. She may be assisted by Cindy Mendoza, Area Manager, and is assisted by the Certified Training Managers that vary from location to location. Ms. Sellers has 4 years of experience of restaurant operations and training within the business. We may refine and modify the training course and materials as we deem appropriate.

We provide you on-site opening assistance for up to 5 days, as we determine appropriate. You must pay for our staff's airfare, hotel, and food expenses while providing this assistance. (Franchise Agmt. §8.4)

We may periodically offer additional training programs to you covering various subjects, such as new products, procedures, marketing, customer services, bookkeeping, and other aspects of business operations that we believe are beneficial. We may charge you our then current rates per program to cover our costs and administrative overhead. These programs may last from one-half day to a full day. (Franchise Agmt. §§4.5-4.7) You pay for you and your staff's meals, travel, lodging, and other expenses while training. Beyond this, we have no obligation to provide you with any other services or support beyond what is specifically described.

ITEM 12
TERRITORY

Franchise Agreement

We grant you a franchise to use our trademarks for a single Store at a specific location and nowhere else. You may only operate your Store at a location we accept. You may not operate your Store at any other site without our prior written consent. If you have not selected a particular site for your Store when you sign the franchise agreement, we will designate a general geographic area specifying the area within which you may seek a location for your Store. You may not offer for sale or sell products or services or any material, supplies, or inventory bearing the trademarks at any site other than your Store on a permanent or temporary basis without our prior written consent.

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. We reserve the right to develop and operate, and to license and franchise others to develop and operate, Stores at any locations as we deem appropriate, which locations may in some instances be perceived by existing Store operators as impacting their business.

During the term of your franchise agreement, we will agree not to open or operate a Store (or license or franchise a third party) and the specific physical retail location that we accept for your Store. Although we may consider the proposed location of a Store in relation to existing Stores, there is no minimum distance that would prevent us (or our affiliates, franchisees, licensees or others) from developing, licensing, franchising, approving or operating a Store (or other business using the primary marks) at any location (whether a traditional location or non-traditional location) at any particular distance from a Store you develop and operate. We have the right to develop and operate, and to license others to develop and operate, additional Stores at any location regardless of the proximity to your Store.

All Stores.

We reserve the right to develop and operate, and to license others to develop and operate, Stores in locations as we deem appropriate.

We and our affiliates (and our franchisees and licensees) retain the right to do the following: (1) establish, operate, sell and franchise and license others to establish and operate Egg N Bird Stores and to sell Egg N Bird products and other items and services under the trademarks and other trademarks and service marks through stores located anywhere; (2) engage in electronic commerce, internet deliver Egg N Brid products and other items and services to customers at any location; (3) sell, market, distribute, solicit, and license others to sell, market, distribute and solicit sales of pre-packaged products, other items identified as Egg N Bird or by other brand names, whether or not these brands are authorized for your use as well as other products or services under our marks and other marks through different channels of commerce such as super markets, wholesale markets, and convenience stores as well as through the Internet, telemarketing, catalog sales, or other direct marketing sales; and (4) develop and operate and license others to own and operate stores and other food service facilities and business at (each a “non-traditional” location) (i) any location within another primary business or in conjunction with institutional and other business or institutional settings, including, but not limited to, resorts, hotels and motels, ships, ports, piers, casinos, arenas, fairs, stadiums, airports, gyms, colleges and universities, schools, hospitals, medical centers, military and other governmental facilitates (including commissaries), toll roads, travel plazas, office or in-plant food facilities, health clubs, shopping malls, supermarkets, grocery stores, anchor retail department stores, big-box retailers, specialty retailers, convenience stores, fast food operations such as food courts, and any location to which the general public does not have unlimited access and/or any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider; (ii) mobile outlets, temporary or seasonal food service facilities; and/or (iii) commercial kitchen facilities that provide order and delivery-only services, which may include the associated online or mobile ordering and delivery and/or pick-up services. Examples of non-traditional locations include mobile outlets (such as food trucks), “ghost” kitchens, kiosks, concessions, multi-brand facilities, grocery stores, club stores, convenience stores, concert venues, casinos, toll roads, hotels and motels, ships, travel plazas, ports, piers, supermarkets, convention centers, airports, resorts, amusement parks, sports stadiums, fairs, expositions, college and university buildings, military bases and/or commissaries, hospitals and medical centers, and other venues operated by a master concessionaire or contract food service provider. Stores or other food service facilities at non-traditional locations, in our discretion, may be required or authorized to offer a more limited menu.

We have no obligation and do not intend to compensate you for any of the potential sales described in the paragraph immediately above this one.

Under the terms of the franchise agreement, you are allowed to make sales ONLY from the premises of the Store, and channels approved by us. You have no right to use other channels of distribution such as through Internet, catalog sales, telemarketing, or other direct marketing, to make sales other than in-Store sales from the Store.

You may not relocate your Store without first obtaining our prior written consent, which may be conditioned on:

(i) the new location meeting our then-current criteria for new locations;

(ii) you are current on all obligations to us; and

(iii) you sign a general release of all claims.

The franchise agreement does not grant you any option rights or rights of first refusal or similar rights to acquire any additional franchises.

<u>Area Development Agreement</u>

If you sign an Area Development Agreement, you will have the right and the obligation to develop and open a specified number of Stores within a mutually agreed upon geographical area (the “Development Area”) and timeframe. You will either develop Stores at non-traditional locations or traditional locations, as indicated on your Area Development Agreement. The term of the Development Agreement commences on the Effective Date and ends on the earliest of: (a) its expiration date, (b) the opening of all authorized Stores to be developed under the Development Agreement; or (c) termination for breach including failure to make satisfactory development progress. During the term of your Area Development Agreement, we will not operate or grant a license or franchise to any other person or business entity to operate a Store at a traditional location within the Development Area.

We reserve the right: (i) to develop, own, operate and grant licenses and franchises for Stores at locations and on terms that we deem appropriate at any location outside the Development Area; (ii) without any geographic limitation, to make and sell, or cause to be made and sold, products (including without limitation products that are also authorized for Stores at traditional locations) under our or other trademarks, service marks, logos or commercial symbols, through other retail stores and other distribution channels on such terms as we deem appropriate; (iii) to develop, own, operate and grant licenses and franchises for Stores inside the Development Area after the expiration or termination of the Development Agreement; and (iv) to develop, own, operate and grant licenses and franchises for Stores and other food service facilities at non-traditional locations at any and all locations and on terms that we deem appropriate, regardless of whether these locations are within or outside the Development Area. 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.

Except to the extent expressly provided in the Area Development Agreement as to developing new franchise locations, you do not acquire any rights of first refusal, options, or similar rights to acquire additional Egg N Bird franchises.

Except YFI (described in Item 1), which franchises Yogurtland stores (which specialize in the offer and sale of several favors of frozen desserts and other similar and dissimilar designated food, beverages and merchandise for on-premises consumption and carryout) and operates and may franchise "Holsom by Yogurtland," (specialize in the offer and sale of several favors of frozen desserts, beverages, food items and other similar and dissimilar designated food, beverages and merchandise for on-premises consumption and carryout) neither we nor any affiliate of ours operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those the franchisee will offer, although we and our affiliates reserve the right to do so. Franchisees of YFI (including "Yogurtland" franchised and non-franchised stores and "Holsom by Yogurtland" franchised and non-franchised stores). However, we, YFI and its and our affiliates reserve the right to develop and acquire other food service businesses in the future do so in the future. An affiliate of ours or a franchisee or licensee may own food outlets under those trademarks. Our affiliates and their franchisees and licensees may solicit or accept orders within your territory or market area. We do not anticipate conflicts between outlets that our affiliates operate or franchise because each offer a distinct experience and differing menus. If conflicts do arise, we and our affiliates will resolve them as we deem appropriate. The principal business addresses of our affiliates is in Item 1. We do not currently plan to maintain physically separate offices or training facilities.

ITEM 13
TRADEMARKS

We will license you to operate your Store under the trade names, trademarks, service marks and logos used to identify your Stores (the "trademarks"). You may only use these trademarks in the operation of your Store, and such others as we require from time to time.

Trademark	Reg. No.	Reg. Date	Goods/ Services
EGG N BIRD	6,335,711	April 27, 2021	Restaurant Services

We entered into a 50-year (renewable annually thereafter unless either party gives notice of non-renewal) master license agreement with Egg N Bird Corporation, effective as of December, 2021, which grants us the right to use and to license others to use the trademarks for the operation of Stores and related items. The master license agreement does not contain any significant limitations on our right to use or license the trademarks to you, but may be terminated if we fail to cure a material breach of our duty to maintain quality control standards. Each Franchise Agreement which we grant before termination of the master license agreement may continue as long as the franchisee does not default under its Franchise Agreement. Except for this agreement, there are no agreements currently in effect which limit our right to use or license the use of the marks.

All required affidavits for the marks have been filed.

No decision of any court or government agency limits our right to use or license the use of the Egg N Bird trademark. Concerning our marks, there are no currently effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of any state or any other government agency, or court. Nor are there any pending infringement, opposition, or cancellation proceedings or pending material litigation involving our marks.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of our marks. There is no pending material federal or state court litigation regarding our use or ownership rights in our marks.

You may not use any of our trademarks in any corporate or entity name but may identify your business as the fictitious business name of your Store in a format as the law permits and we designate, such as "Egg N Bird" of [geographic designation]. You must file all fictitious name affidavits required by law in the state and county where you are located. At our request, you must provide us a copy of all such filing documents.

If you use our trademarks according to the Franchise Agreement and our instructions, we have the right, but not the obligation, to protect you against claims of infringement or unfair competition arising out of your use of the trademarks. If we choose to defend you, you must fully cooperate with us in such a defense. If we defend, we will pay for the cost of the defense unless you elect to proceed through counsel of your own choosing. You must notify us of all infringements of our marks or confusingly similar marks, which come to your attention. We have sole discretion in deciding what action if any should be taken and have the sole right to control any litigation or administrative proceedings. The franchise agreement does not require us to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving our marks or if the proceeding is resolved unfavorably to you.

We may prosecute or defend any infringement or unfair competition involving our marks or any other actions or proceedings that we deem necessary or desirable to protect our trademarks. You must not contest our right, title, or interest in the marks.

If we modify or stop use of any of our trademarks, you must also modify or stop their use. You must pay all costs to make these changes. We have no obligation to reimburse you for any expense resulting from these changes.

On termination or expiration of the Franchise Agreement, your right to use our marks ends. Thereafter you must not identify yourself as an Egg N Bird franchisee or publicly identify yourself, or any business entity you are then associated with, as a former Egg N Bird franchisee, or use any of our confidential information or trade secrets.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchised business. We claim copyrights in our confidential Operations Manual, construction plans, advertisements, promotional material, and in other written materials we provide to you. However, none of these is registered in the U.S. Copyright Office. You will also learn information that we consider trade secrets. This includes all ideas, concepts, techniques or materials relating to a Store, operating procedures and contents of training, and information on how we operate. You must keep all of this confidential. The manuals and other materials we provide to you are only for use in the operation of your Store. The Franchise Agreement grants you the right to use the material for the term of the franchise and obligates you to operate the Store in accordance with the format and operating system provided in the manuals. You may not divulge any trade secrets or reproduce or exhibit any portion of the manuals or other materials to any person other than to your employees and then only to the extent necessary to operate your Store in accordance with the Franchise Agreement and only in confidence.

There are no current determinations of the Copyright Office or any court regarding our claimed copyrights. There are no agreements limiting our use of our copyrights. We are not aware of any patent or copyright infringement that could materially affect your franchise. There is no specific requirement in the franchise agreement requiring us to protect our copyrights or to defend and indemnify you for claims of copyright infringement. However, if you use our copyright materials as required by the Franchise Agreement, Operations Manual, and our instructions, we may, as a matter of policy, elect to do so. We alone have the right to control any litigation. We are not required to compensate you even if you must stop using any of our copyrighted or trade secret materials.

On termination or expiration of your Franchise Agreement, you must immediately return to us your manuals and all other materials containing our trade secrets and confidential information.

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

You or your designated manager who we approve and who has successfully completed our Initial Training program must devote best efforts and dedicate a minimum of forty (40) hours per week to on site management of your franchised business. If you are a corporation, partnership, limited liability company, or other business organization, you must designate an individual we can rely on for the personal and direct onsite management of the franchised business and who will dedicate a minimum of forty (40) hours per week exclusively to this business. This designated person must complete the initial training program to our satisfaction. If the designated person separates from the franchised business, then you must designate another person, who must then complete the initial training program to our satisfaction within ninety (90) days of his or her predecessor's separation from the franchised business. The manager need not have an ownership interest in your Egg N Bird business. One of the following combinations of individuals must complete all phases of our training program to our satisfaction and participate in all other activities we require to open your Store. Those combinations are (a) Franchisee and Franchisee's initial Store manager, or (b) Franchisee and spouse IF both are actively involved in the operation of the Store. Each and every replacement manager must satisfactorily complete our training program within sixty (60) days of becoming the manager. If you use a manager (instead of participating directly in your operations), we still recommend that you personally remain involved in your business.

You are responsible to ensure that at minimum one employee at the Store has an approved ANSI Food Safety certification.

You must operate your Store continuously during the hours we specify. We may require you to open your Store for business as early as 6 a.m. and stay open until as late as 3 a.m. the next morning, and remain open 7 days per week, up to 365 days per year (366 days in a leap year).

If you are a business organization, each owner of the business organization must sign a Guaranty agreement (see Exhibit I) personally guaranteeing the franchisee's obligations under the franchise agreement. In addition, the respective spouse of each of the owners of the business organization must also sign the Guaranty agreement.

Each of your managers must sign a confidentiality agreement as well as a covenant not to compete with us. See Exhibit J.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all and only the goods we designate for your Store and which comply with our standards for kind and quality according to our operation manual or as otherwise we designate in writing. We reserve the right to change approved suppliers or items, to delete formerly approved suppliers or items, at our sole discretion without prior notice, at any time. The restrictions on what you are permitted to sell may change, and you must comply with these changes with reasonable notice to you. There are no limits on our right to make changes. You must offer all products we authorize you to sell. However, we are not obligated to authorize you to sell all available Egg N Bird products that we may have.

Without our prior written consent, you may not offer or sell any Egg N Bird products or services at any site other than your Store. You may only sell finished Egg N Bird products that have been approved for sale at your Store and only to retail customers. You may not sell any Egg N Bird products, whether finished or unfinished, to any person or entity for resale. In addition, you may not use your Store for any purpose other than operation of the Egg N Bird Store. You may not install or operate in your Store any ATM machine, public telephone, jukebox, vending machine, lottery ticket terminal, video game, or any other game or machine without our written approval. If you sell products, services, or anything else that we have not approved, we may require you to remove the unapproved products, services, or items. We may also declare you in default for doing so.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

THE FRANCHISE RELATIONSHIP

FRANCHISE AGREEMENT

Provision	Section in franchise or other agreement	Summary
a. Length of Franchise Term	Franchise Agrmt § 9.1	10 years, unless: (1) you are purchasing an existing Store in which case, the expiration of your Franchise Agreement will be the expiration date of the franchise agreement for the Store you are purchasing or (2) you are signing the franchise agreement as a renewal franchise agreement, in which case the term will be the applicable renewal term in your franchise agreement or renewal addendum, as applicable.
b. Renewal or extension of the term	Franchise Agrmt §§ 9.2 and 9.3	You may renew for 1 additional period of 10 years, if you meet all conditions.
c. Requirements to renew or extend	Franchise Agrmt § 9.3	To renew for an additional term you must: comply with the franchise agreement throughout the term of your franchise; deliver written notice of your desire to renew at least one hundred eighty (180) days but no more than three hundred sixty-five (365) days before expiration of the then current term; pay the pertinent renewal fee; sign our then current Franchise Agreement to reflect the renewal term (which may be on materially different terms); sign a general release; remodel, redecorate, renovate, and upgrade the Store to meet our then current standards; be current on all

Provision	Section in franchise or other agreement	Summary
		amounts due to us and our affiliates. You may be asked to sign agreements that contain materially different terms and conditions than your current franchise agreement and other agreements. In every case, you must also ensure that you have adequate rights under your lease of the Store's premises to cover the renewal term.
d. Termination by franchisee	Franchise Agrmt § 9.4	You may terminate, if we materially breach the agreement and fail to cure the breach, after providing us written notice and an opportunity to cure. Claims may only be brought for specific violation of the Franchise Agreement and Development Agreement, which must be specifically cited in your initial complaint.
e. Termination by franchisor without cause	N/A	We cannot terminate without cause.
f. Termination by franchisor with cause	Franchise Agrmt § 9.5	We may terminate if you default on any of your obligations and fail to cure the default in the given time for curable defaults, but for some defaults there is no opportunity to cure.
g. "Cause" defined-curable defaults	Franchise Agrmt §9.5	You have 30 days to cure most defaults. Defaults not listed in box H below might be curable.
h. "Cause" defined-non- curable defaults (all franchise agreements)	Franchise Agrmt §9.6	Failure to secure a location approved by us within 6 months of the Effective Date; we reasonably determine that continued operation would present imminent danger to public health or safety; we determine your conduct of the business materially and negatively affects the reputation of the brand; failure to comply with any federal, state, or local law or regulation for 10 days after notice of non- compliance; failure to operate the business for 3 or more consecutive days when you are obligated to operate; any assignment, transfer, or sublicense of your agreement without our consent; you become insolvent, make an assignment for the benefit of creditors; inability to pay obligations, bankruptcy, composition, adjustment, liquidation, dissolution, or similar relief, a receiver is appointed for substantial part of your assets or the Store; however, termination for bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.), or a final judgment or involuntary lien remains on the record, unsatisfied for sixty (60) days or longer; Store premises are seized, taken over, or foreclosed on by government official or creditor; a final judgment

Provision	Section in franchise or other agreement	Summary
		remains unsatisfied after 30 days, or an involuntary lien in the amount of $1,000 or more on any of your assets or property that is not removed within 15 days; you or any owner or officer of the franchisee s convicted of criminal misconduct relevant to operation of the Store or the brand or any felony; you make material misrepresentations relating to the acquisition or operation of the business; you submit false sales reports; your failure to pay fees or other amounts due us or fail to obtain insurance after 5 days' notice; default after cure of breach, recurrence of any breach, failure, or default, whether or not the conduct, noncompliance or recurrence is corrected after notice; your failure on 3 separate occasions within 6 months to comply with any requirement under the Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	Franchise Agrmt §§ 9.7–9.9 Non-compete & Non-disclosure Agrmt, all sections	Complete de-identification, pay amounts due, return all confidential materials, cease operations, stop using marks, systems, confidential information, cancel all assumed names, deliver/sell your equipment, inventory, and fixtures to us if we request, assign phone numbers to us, and comply with non-competition and non-solicitation requirements.
j. Assignment of contract by franchisor	Franchise Agrmt §11.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Franchise Agrmt § 11.2	Sale, assignment, or transfer of your interest in the agreement or assets.
l. Franchisor approval of transfer by franchisee	Franchise Agrmt § 11.2	We have the right to deny approval of all proposed transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Franchise Agrmt §11.3	You pay a $12,500 transfer fee; sign a general release that covers all claims against us; pay all amounts owed; provide a copy of all agreements and proposed agreements concerning the proposed transfer and other information we request; you make any changes to the terms of the transfer which we require; the proposed transferee qualifies and provides all information we request; the transferee assumes all obligations under the Agreement and/or, at our request, enters into our current form of Agreement for the remaining term; the Store is upgraded to our then-current standards prior to closing the transaction; and, you and the transferee obtain in writing, the landlord's consent. The transferee must also pay a $4,000

Provision	Section in franchise or other agreement	Summary
		training fee and complete the training program prior to the completion of the transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agrmt §§11.4 &11.5	We may match any offer, for your business and thereby require you to transfer business to us.
o. Franchisor's option to purchase franchisee's business	Franchise Agrmt §9.9	Following termination or expiration other than due to our uncured breach, we or our assignee have the right, by delivering written notice to you, to purchase from you, any or all of the Store's equipment, fixtures, inventory, products, materials and supplies as we choose, and to take an assignment of the lease of the Store premises.
p. Death or disability of franchisee	Franchise Agrmt §11.7	Surviving heirs may operate the business if they qualify within 180 days, or they may assign to an approved buyer.
q. Non-competition covenants during the term of the franchise	Franchise Agrmt §§10.4-10.5 Non-compete & Non-disclosure Agrmt §§5 & 6	Neither you nor your managers can directly or indirectly operate anywhere a business similar to your franchised business. You or your managers may also not have an ownership interest in any entity which grants franchises or licenses to others to operate stores specializing in egg or chicken sandwiches, drinks, desserts, snacks or similar foods, excluding existing Stores for which there are validly existing franchise agreements in place.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agrmt §§10.4-10.5 Non-competition and non-disclosure agrmt §§ 5-6	For 3 years following termination or expiration, neither you nor your managers can operate or have an interest in a competing business within a fifteen (15) mile straight- line radius from the front door of your Store, or have an ownership interest in any entity that grants franchises or licenses to others to operate stores specializing in egg or chicken sandwiches, drinks, desserts or similar foods.
s. Modification of the agreement	Franchise Agrmt §16.7	No modification is valid except in writing signed by you and us. Manuals may change at our discretion, including our Manual.
t. Integration/merger clause	Franchise Agrmt §16.26	Subject to state law, nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.

Provision	Section in franchise or other agreement	Summary
u. Dispute resolution by arbitration or mediation	Franchise Agrmt §§15.2 & 15.3	Except for certain claims, all disputes must be mediated before resorting to arbitration or court action. If mediation fails, the parties agree to arbitrate dispute (except for certain specified claims).
v. Choice of forum	Franchise Agrmt §15.5	Arbitration must be in Dallas County, Texas, subject to state law.
w. Choice of law	Franchise Agrmt §15.1	Subject to state law, Texas law applies, except for a) issues of arbitration, which are governed by the Federal Arbitration Act; and b) issues involving trademarks, which are governed by the Lanham Act.

DEVELOPMENT AGREEMENT

The table below lists important provisions of the Development Agreement you may be required to sign. You should read these provisions in the agreement attached to this disclosure document.

Provision	Section in Development Agreement	Summary
a. Length of development agreement term	Sec. 3	The period between the date you sign the agreement and the earliest of (i) the opening of the last Store under the Development Schedule; (ii) the last day for a scheduled Store opening as agreed by you and us; and (iii) a termination of the agreement.
b. Renewal or extension of the term	Not applicable	Not applicable
c. Requirements to renew or extend	Not applicable	Not applicable
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor	Not applicable	Not applicable
without cause		
f. Termination by franchisor with cause	Sec. 3.2, 3.3	We may terminate if you default on any of your obligations, including failure to satisfy the development schedule.
g. “Cause” defined - curable defaults	Sec. 3.2, 6.2	Any breach of the Development Agreement is cause for termination and not curable, except that in the event of your failure to timely meet your Development Obligation, you may prevent termination for such failure by making payments to us as specified in the Development Agreement.

Provision	Section in Development Agreement	Summary
h. "Cause" defined - non- curable defaults	Sec. 3.2	Non-curable defaults under any franchise agreement you have with us, if any; conviction of crime related to operation of a Store; unauthorized transfer of the agreement; repeated defaults; termination of franchise or other agreement with us; and others, including your bankruptcy, however, termination for bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
i. Franchisee's obligations on termination/non-renewal	Sec. 3.3	No continuing right to develop in the Development Area or anywhere else
j. Assignment of contract by franchisor	Sec. 7.1	No restriction on our right to assign.
k. "Transfer" by franchisee - defined	Sec. 7.2	Sale, assignment, or transfer of any of your interest in the agreement.
l. Franchisor approval of transfer by franchisee	Sec. 7.2, 7.3	We have the right to approve or disapprove all transfers in our sole discretion.
m. Condition for franchisor approval of transfer	Sec. 7.4	You pay a $12,500 transfer fee to us, pay all other amounts due under the Development Agreement or any other agreements with us; you sign a general release that covers all claims against us other than any liability that cannot be waived or released; provide a copy of all agreements and proposed agreements concerning the proposed transfer and other information we request; the proposed transferee qualifies and provides all information we request; the transferee assumes all obligations under the Agreement or, at our request, enters into our then current form of Development Agreement for the remaining term.
n. Franchisor right of first refusal to acquire franchisees' business	Not applicable	Not applicable
o. Franchisor option to purchase franchisees' business	Not applicable	Not applicable
p. Death or disability of franchisee	Sec. 7.5	Surviving heirs may operate the business if they qualify within 180 days, or they may assign to an approved buyer.

Provision	Section in Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	See franchise agreement.	See franchise agreement and Non- compete & Non-disclosure agreement.
r. Non-competition covenants after the franchise is terminated or expires.	See franchise agreement.	See franchise agreement and Non- compete & Non-disclosure agreement.
s. Modification of the agreement	Sec. 8.3	No modification except in writing signed by you and us.
t. Integration/merger clause	Sec. 8.2	Subject to state law, nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	§§ 8.9-8.12	Except for certain claims, all disputes must first be mediated before resorting to arbitration or court action. If mediation fails, the parties agree to arbitrate their dispute.
v. Choice of forum	Sec. 8.12	Litigation and arbitration are to be in Dallas County, Texas, subject to state law.
w. Choice of law	Sec. 8.12	Subject to state law, Texas law applies, except for a) issues of arbitration, which are governed by the Federal Arbitration Act; and b) issues involving trademarks, which are governed by the Lanham Act.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise. We, however, reserve the option to do so in the future.

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 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.

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 Kimberly Bryant, 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060, (949) 265-8000 the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1 Systemwide Outlet Summary
For Years 2018 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company- Owned	2019	0	0	0
	2020	0	0	0
	2021	0	2	2
Total Outlets	**2019**	0	0	0
	2020	0	0	0
	2021	0	**2**	**2**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than to Franchisor) For Years 2018 to 2021

State	Year	Number of Transfers
Totals	**2019**	**0**
	2020	**0**
	2021	**0**

Table No. 3
Status of Franchised Outlets
For Years 2018 to 2021

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	**2019**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4
Status of Company Owned Outlets
For Years 2019 to 2021*

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	2	0	0	0	2
Totals	**2019**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**2**	**0**	**0**	**0**	**2**

Table No. 5
Projected Openings as of December 31, 2021
(traditional locations only)

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Egg N Bird Outlets in the Next Fiscal Year	Projected New Company-Owned Egg N Bird Outlets in the Next Fiscal Year
Arizona	0	0	0
California	0	3	3
Colorado	0	0	0
Nevada	0	0	0
Texas	0	2	4
Utah	0	0	0
Totals	**0**	**5**	**7**

Attached to this disclosure document as Exhibit N is a list of the names, addresses and phone numbers of our current franchisees as of December 31, 2021, as well as the name, city, state, and current business telephone number (or if unknown, the last known telephone number) of every franchisee who had an outlet terminated, cancelled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement in the year ending December 31, 2021, or who has not communicated with us in the 10 weeks preceding the disclosure document issuance/application date.

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

During the last three fiscal years, we have not signed confidentiality clauses with some current or former franchisees.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit C are audited financial statements with an audit report date of January 6, 2022, consisting of balance sheets and statements of income, stockholder's equity (deficit), and cash flows as of December 31, 2021. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached to this Disclosure Document are the following agreements:

Exhibit D	Franchise Application
Exhibit E	Franchise Agreement
Exhibit F	Authorization Agreement for Prearranged Payment
Exhibit G	Franchise Owner Photography Release
Exhibit H	Limited Construction Project Management Agreement
Exhibit I	Personal Guaranty
Exhibit J	Non-competition and Non-disclosure Agreement
Exhibit K	General Release
Exhibit L	Area Development Agreement
Exhibit O	Addendum to Franchise Agreement for Remainder of Term
Exhibit P	Renewal Addendum to Franchise Agreement
Exhibit Q	Assignment of Franchise Agreement and General Release
Exhibit R	Lease Rider

ITEM 23
RECEIPTS

The receipt to this Disclosure Document is attached as Exhibit S.

EXHIBIT A
State Administrators and Agencies/Agents for Service of Process

EXHIBIT A to Disclosure Document

<u>LIST OF STATE ADMINISTRATORS AND AGENCIES</u>

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

CALIFORNIA Commissioner of Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 (866) 275-2677 Toll Free Ask.DFPI@dfpi.ca.gov	HAWAII Hawaii Commissioner of Securities Department of Commerce & Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2744
MARYLAND Office of Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	ILLINOIS Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62701 (217) 782-4465
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 Saint Paul, Minnesota 55101 (651) 539-1600	INDIANA Franchise Section Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681
NORTH CAROLINA Secretary of State Securities Division 300 North Salisbury Street North Carolina 27603 (919) 807-2156	MICHIGAN Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit 670 Law Building 525 W. Ottawa Street Lansing, Michigan 48913 (517) 373-7117
RHODE ISLAND Director of the Rhode Island Department of Business Regulation John O Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 462-9500	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8000

TEXAS Statutory Document Section Secretary of State P.O. Box 12887 Austin, Texas 78711 (512) 475-1769	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-2929
VIRGINIA State Corporation Commission, Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	SOUTH DAKOTA Franchise Administrator Department of Labor and Regulation Division of Insurance – Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
WISCONSIN Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555	UTAH Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South Salt Lake City, Utah 84145-0804 (801) 530-6601
	WASHINGTON Director Department of Financial Institutions P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760

AGENTS FOR SERVICE OF PROCESS

California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198
Hawaii Hawaii Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813	New York Secretary of State of the State of New York 99 Washington Avenue Albany, New York 11231
Illinois Illinois Attorney General Office 500 South Second Street Springfield, Illinois 62701	North Carolina North Carolina Secretary of State Securities Division 300 North Salisbury Street Raleigh, North Carolina 27603
Indiana Indiana Secretary of State 201 State House 200 West Washing Street Indianapolis, Indiana 46204	North Dakota North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
Maryland Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020	Rhode Island Director of Rhode Island Division of Securities Div. of Securities Antitrust and Franchise Unit 233 Richmond Street, Suite 232 Providence, Rhode Island 02903
Michigan State of Michigan /Dept. of Attorney General Consumer Protection Agency /Attn: Franchise 670 Law Building 525 West Ottawa Street Lansing, Michigan 48913	South Dakota Department of Labor and Regulation Division of Insurance – Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501

Virginia Clerk of the State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733	Wisconsin Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555
Washington Director Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501	

EXHIBIT B
State Specific Addenda

EXHIBIT B to Disclosure Document

STATE - SPECIFIC ADDENDA
(DISCLOSURE AND FORMS OF AGREEMENT BY STATE)

ADDENDUM TO THE EGG N BIRD DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document. The term “Franchise Agreement” as used in this Addendum refers to the Standard Franchise Agreement.

Neither Egg N Bird, nor any person or franchise broker in Item 12 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78A et seq., suspending or expelling these persons from membership in this association or exchange.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Dallas County, Texas, with the costs being borne equally by the disputing parties, except that the arbitrator may award attorneys’ fees and costs to the prevailing party in such arbitration.

The Franchise Agreement and Development Agreement, as applicable, pertaining to Egg N Bird Stores located or to be located in the State of California will be modified by the terms of the applicable addendum included below providing for recovery by the prevailing party of attorneys’ fees and costs incurred in arbitration or litigation related to this offering, negotiations, or the Franchise Agreement or Development Agreement, as applicable.

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

The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

You must sign a general release if you renew or transfer your franchise. California corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California corporations Code Section 31000 through 31516).

Our website www.eggnbird.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the contents of this website may be directed to the California Department of Financial Protection and Innovation at www.DFPI.CA.GOV.

ADDENDUM TO EGG N BIRD FRANCHISING INC.
FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

The Egg N Bird Franchising Inc. Franchise Agreement between ____________________ ("Franchisee") and Egg N Bird Franchising Inc. ("Franchisor") dated _________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are herby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination, transfer or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law will control.

b. The Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

c. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher

2. Section 1 of this Addendum shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Addendum. Section 1 of this Addendum shall have no force or effect if such jurisdictional requirements are not met.

3. ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys' fees and costs to the prevailing party in such arbitration. With respect to any litigation between Franchisor and Franchisee (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in such litigation.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by theCommissioner.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound hereby. The parties have duly entered into and delivered this Addendum on __________, 20 .

FRANCHISEE:	FRANCHISOR:
______________________________	Egg N Bird Franchising Inc.
a ______________________________	a Texas corporation
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

**ADDENDUM TO EGG N BIRD FRANCHISING INC.
AREA DEVELOPMENT AGREEMENT FOR THE STATE OF CALIFORNIA**

The Egg N Bird Franchising Inc. Area Development Agreement between (“Developer”) and Egg N Bird Franchising Inc. (“Company “) dated (the “Agreement”) is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to Developer concerning termination, transfer or non-renewal of a franchise. If that Agreement contains a provision that is inconsistent with the law, the law will control.

b. The Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Section 1 of this Addendum shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

3. ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys’ fees and costs to the prevailing party in such arbitration. With respect to any litigation between Company and Developer (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys’ fees and costs incurred in such litigation.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Developer on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound thereby. The parties have duly entered into and delivered this Addendum on _________, 20__.

DEVELOPER:	COMPANY:
____________________________________	Egg N Bird Franchising Inc.
a __________________________________	a Texas corporation
By: ________________________________	By: ________________________________
Name: ______________________________	Name: ______________________________
Title: _______________________________	Title: _______________________________

604557102.4

ADDENDUM TO THE EGG N BIRD DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

REGISTERED AGENT IN THE STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS:

Hawaii Commissioner of Securities of the
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The Franchise Agreement and Development Agreement, as applicable, pertaining to Egg N Bird Stores located or to be located in the State of Hawaii will be modified by the terms of the applicable addendum included below providing for recovery by the prevailing party of attorneys fees and costs incurred in arbitration or litigation related to this offering, negotiations, or the Franchise Agreement or Development Agreement, as applicable. The term “Franchise Agreement” as used in this Addendum refers to the Standard Franchise Agreement.

ADDENDUM TO EGG N BIRD FRANCHISING INC.
FRANCHISE AGREEMENT FOR THE STATE OF HAWAII

The Egg N Bird Franchising Inc. Franchise Agreement between ____________________ ("Franchisee") and Egg N Bird Franchising Inc. ("Franchisor") dated __________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys' fees and costs to the prevailing party in such arbitration. With respect to any litigation between Franchisor and Franchisee (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in such litigation.

IN WITNESS WHEREOF, Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound hereby. The parties have duly entered into and delivered this Addendum on ____________, 20__.

FRANCHISEE:	FRANCHISOR:
____________________________________	Egg N Bird Franchising Inc.
a __________________________________	a Texas corporation
By: ________________________________	By: ________________________________
Name: ______________________________	Name: ______________________________
Title: _______________________________	Title: _______________________________

ADDENDUM TO EGG N BIRD FRANCHISING INC.
AREA DEVELOPMENT AGREEMENT FOR THE STATE OF HAWAII

The Egg N Bird Franchising Inc. Area Development Agreement between ______________ ("Developer") and Egg N Bird Franchising Inc. ("Company ") dated __________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

ATTORNEYS FEES. In any arbitration proceeding arising out of or involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc., the arbitrator may award attorneys' fees and costs to the prevailing party in such arbitration. With respect to any litigation between Company and Developer (whether to enforce the arbitration of disputes, other injunctive relief, or otherwise involving the Agreement, including without limitation disclosure of the related franchise offering, its negotiation, etc.), the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in such litigation.

IN WITNESS WHEREOF, Developer on behalf of itself and its owners acknowledges that it has read and understands the contents of this Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Addendum and be bound thereby. The parties have duly entered into and delivered this Addendum on ______________, 20__.

DEVELOPER:	COMPANY:
____________________________________	Egg N Bird Franchising Inc.
a ________________________________	a Texas corporation
By: _______________________________	By: _______________________________
Name: _____________________________	Name: _____________________________
Title: ______________________________	Title: ______________________________

604557102.4

WASHINGTON STATE ADDENDUM TO THE DISCLOSURE DOCUMENT

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

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WASHINGTON STATE ADDENDUM TO THE FRANCHISE AGREEMENT

The Egg N Bird Franchising Inc. Franchise Agreement between ____________________ ("Franchisee") and Egg N Bird Franchising Inc. ("Franchisor") dated ________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

WASHINGTON LAW MODIFICATION

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

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	FRANCHISOR:
______________________________	Egg N Bird Franchising Inc.
a ____________________________	a Texas corporation
By: __________________________	By: __________________________
Name: ________________________	Name: ________________________
Title: _________________________	Title: _________________________

WASHINGTON STATE ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT

The Egg N Bird Franchising Inc. Area Development Agreement between ______________________ ("Franchisee") and Egg N Bird Franchising Inc. ("Franchisor") dated _________________ (the "Agreement") is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement:

WASHINGTON LAW MODIFICATION

Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and is deferred until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	FRANCHISOR:
______________________________	Egg N Bird Franchising Inc.
a ____________________________	a Texas corporation
By: __________________________	By: __________________________
Name: ________________________	Name: ________________________
Title: _______________________	Title: _______________________

EXHIBIT C
Financial Statements

Egg N Bird Franchising Inc.

FINANCIAL STATEMENT

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Management
Egg N Bird Franchising Inc.
Carrollton, TX

We have audited the accompanying financial statement of Egg N Bird Franchising Inc. ("the Company"), a Texas corporation, which comprise the balance sheet as of December 31, 2021, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Egg N Bird Franchising, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 4 to this financial statement, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statement

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Egg N Bird Franchising Inc.'s ability to continue as a going concern for a reasonable period of time.

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

GTL, LLP

Sherman Oaks, California
January 6, 2022

Egg N Bird Franchising Inc.

Balance Sheet

December 31, 2021

ASSETS

Cash	$ 300,000

STOCKHOLDER'S EQUITY

Common stock, no par value, 1,000,000 shares authorized, issued and outstanding	$ 300,000

The accompanying notes are an integral part of this financial statement.

Egg N Bird Franchising Inc.

Notes to Financial Statement

December 31, 2021

1. NATURE OF OPERATIONS

Egg N Bird Franchising Inc. ("the Company"), a Texas corporation, was formed on August 17, 2021 for the purpose of offering franchises for the operation of Egg N Bird restaurants. The Egg N Bird concept was founded on the simple idea of offering delicious food at an amazing value. By bringing together distinctive tastes, textures and ingredients, Egg N Bird breaks the rules ("changes the concept?") when it comes to your basic egg and chicken sandwiches. Inspired by street food and flavors from around the world, Egg N Bird has curated an authentic menu of fried chicken sandwiches, egg sandwiches, chicken rice bowls and family meal packs. Utilizing elevated quality ingredients such as hormone-free chicken, cage-free eggs, artisanal buns and signature scratch-made sauces at a value price point delivers on the mission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal year

The Company's fiscal year-end is December 31.

Basis of accounting and financial statement presentation

The Company's balance sheet has been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

Management uses estimates and assumptions in preparing this financial statement. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and cash equivalents

The Company considers financial instruments with original maturity of 90 days or less to be cash equivalents. There were no cash equivalents at December 31, 2021.

Egg N Bird Franchising Inc.

Notes to Financial Statement

December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Income taxes

The Company, under current Internal Revenue Code and applicable state laws, is subject to corporate income taxes.

The Company's federal and state income tax returns are subject to examination by the Internal Revenue Service and applicable state taxing authorities for three (3) and four (4) years after each filing, respectively.

Concentrations

From time to time the Company's bank balances may exceed the FDIC insured limits. The Company has not experienced and does not anticipate any losses related to these balances.

3. SUBSEQUENT EVENTS

The Company has evaluated events through January 6, 2022, to assess the need for potential recognition or disclosure in the financial statement. Based on this evaluation, it was determined no events occurred that require recognition or additional disclosure in the financial statement.

4 **RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events and the potential impact on the Company can not be reasonably estimated at this time.

EXHIBIT D
Franchise Application Form

EXHIBIT D TO Disclosure Document – FRANCHISE APPLICATION FORM

Franchise Application

Confidential

This application does not obligate either party in any manner.

I submit the following information as my complete and true personal and financial condition as of the date shown below. In accordance with the Privacy Act (5 U.S.C. 552 a), Freedom of Information Act and The Fair Credit Reporting Act, I expressly authorize any past or present employer, any law enforcement agency, federal, state or local,or any person who has personal knowledge of my character, work experience or criminal records to release this information to Egg N Bird Franchising Inc. I understand and acknowledge that, as a condition of being considered for an Egg N Bird franchise, I must submit to a credit history check to be performed by a credit reporting agency of Egg N Bird's choice. I understand that the credit reporting agency will make the results of the credit history check available to Egg N Bird and that Egg N Bird may use those results in determining whether I will am eligible to own aEgg N Bird franchise. If requested by Egg N Bird Franchising Inc., I agree to supply statements from my professional advisors (i.e., banker, broker, accountant or attorney) verifying the assets stated herein, and I also agree to furnish copies of Federal Income Tax Returns as filed for the last five years. I understand that Egg N Bird Franchising Inc. isrelying upon all the above information as material factors in considering my application to become a Egg N Bird franchisee, and I therefore agree to promptly notify Egg N Bird Franchising Inc. of any material change in any of the above information or any subsequent information provided to Egg N Bird Franchising Inc. In addition, I release all persons from liability as a result of true, accurate information. I also certify that neither I nor any of my funding sources is or has ever been a terrorist or suspected terrorist, or a person or entity described in Section 1 of U.S. Executive Order 13224, issued September 23, 2001, as such persons and entities are further described at the Internet website www.ustreas.gov/offices/enforcement/ofac. I agree to comply with and/or to assist Egg N Bird to the fullest extent possible in Egg N Bird 's efforts to comply with the above law.

______________________	______________________	______________________
Applicant Name	*Signature*	*Date*

Personal Information

Name (First, MI, Last)

____

Home Phone________________________Business Phone _______________________________

Address____________________________City_____________________State/Zip_____________

Email Address ____

____

Spouse's Name (First, MI, Last)

Have you ever been convicted of a felony? If yes, explain. ______________________________

____

Have you or your spouse ever declared bankruptcy? If yes, explain.______________________

____

Of which country are you a citizen? ____

Education

Name of College/ Postgraduate School	Last Year Completed	Degree
________________________________	_______________	__________________

Describe any training in sales, management, or retailing: ____________________________

____

Business Experience

Present Occupation	Position	Dates Employed
________________________________	_______________	__________________

Company___________________________ Address (City, State, Zip) ___________________

____

Describe duties, number of employees supervised, and responsibilities:___________________

____

Previous Business Experience (List most recent first)

Occupation	Position	Dates Employed
________________________________	_______________	__________________

Company___________________________ Address (City, State, Zip) ___________________

____

Describe duties, number of employees supervised, and responsibilities:___________________

____

Occupation ______________	Position ______________	Dates Employed ______________
Company ______________	Address (City, State, Zip) ______________	
______________		
Describe duties, number of employees supervised, and responsibilities: ______________		
______________		

Have you ever owned your own business or franchise? If yes, explain. ______________

Have you ever had a business failure? If yes, explain. ______________

INCOME STATEMENT FOR 12 MONTH PERIOD ENDING	
Salary, Wages, Bonuses, and Commissions	$
Dividends and Interest	$
Other Income / Specify source – e.g. Business Profits (Self-Employed), Trust, Spouse, etc.	$
TOTAL	$

ASSETS		LIABILITIES	
Cash on Hand and in Banks	$	Loans and Notes	$
Vested Profit Sharing	$	Accounts Payable	$
Securities, Bonds/Debentures	$	Real Estate Mortgages	$
Notes and Accounts	$	Debts or Obligations	$
Mortgages Receivable	$	Other	$
Real Estate-Market Value	$	TOTAL LIABILITIES	$
Net Value of Business Interest	$		
Automobiles	$	TOTAL ASSETS	$
Personal Property	$	(MINUS)	-
Other	$	TOTAL LIABILITIES	$
TOTAL ASSETS	$	TOTAL NET WORTH	$

Miscellaneous Information

How much capital can you allocate from the above sources to buy this franchise?
What is the cash down payment you can make for this franchise?
If the required amount were not available, how would the investment be obtained? If you own your own home do you plan to sell it? Equity: [ ] YES $______________ [ ] NO

Do you plan to convert any of the above assets into cash?	[ ] YES	[ ] NO
Do you plan to have a partner?	[ ] YES	[ ] NO
If yes, will your partner be active?	[ ] YES	[ ] NO
Do you plan to have investors?	[ ] YES	[ ] NO
If yes, to what extent?		

Thoroughly explain your answers and any other strategies you have for obtaining the required funds:

When do you want to start your franchise operation?

How did you happen to become interested in this particular franchise?

How much time will you devote to the business?

Do you have any particular sites or areas in mind? If yes, where?

State the reasons you believe you will be able to successfully operate one of our franchises:

Are you aware of any disadvantages to owning one of our franchises? Please state and elaborate:

Other

Disclose any other information you feel is relevant to your application that will assist us in reaching a decision.

References

Business

Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known

Personal (Other than employers or relatives)

Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known
Name (First, MI, Last)	Address (City, State, Zip)	Occupation	Years Known

Confidentiality and Non - Disclosure Agreement

Egg N Bird Franchising Inc. agrees to provide to the undersigned pertinent confidential and proprietary documents and information relating to Egg N Bird, during his/her application process.

The undersigned agrees that this and any subsequent information received will be held in the strictest confidence and only used for the sole intention of evaluation for the purpose of negotiating a Egg N Bird Franchise. The undersigned further agrees this information shall only be made available to his/her financial and legal advisors, and then only under the terms and conditions thatare set forth herein.

In the event that it is determined that there is no interest in negotiating the acquisition of a Egg N Bird Franchise, all documents and information provided, with the exception of the Franchise Disclosure Document (FDD) shall be returned to Egg N Bird .

Applicant Name *Signature* *Date*

Street Address *Apt / Unit / Suite*

City *State* *Zip Code*

EXHIBIT E
Franchise Agreement

Store #____

FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** is entered into and effective on ________________________ (the "**Effective Date**") by and between Egg N Bird Franchising, Inc., a Texas corporation, with its principal business address at 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060 ("**Franchisor**"), and ____ ________________ ("**Franchisee**"), its principal business address at _______________________, and _________________ ______________ (each a "**Franchise Owner**" and collectively the "**Franchise Owners**"), each of which Franchise Owners is domiciled at the respective residential address set out next to his or her signature below:

This Franchise Agreement includes the Contract Data Schedule, Recitals and General Terms and Conditions (collectively designated as "**Agreement**").

CONTRACT DATA SCHEDULE

A. Accepted Location of the Licensed Store:

____

(number) (street) (city or town) (state) (zip code)

B. Term Expiration Date: The "**Expiration Date**" of this Agreement shall be the date that is the day immediately before the _______ (____) anniversary of the Operations Commencement Date (as defined herein) or, in the case that this Agreement is signed in connection with the transfer, relocation or renewal of an existing Store, ____________________.

C. Initial Franchise Fee: The "**Initial Franchise Fee**" is _________________ dollars ($)

E. Royalty Fee Rate: The "**Royalty Fee Rate**" is six percent (6%). Refer to Articles 6.4 and 6.5 for complete details, including the minimum monthly Royalty Fee.

F. Marketing Fee Rate: The "**Marketing Fee Rate**" is two percent (2%). Refer to Articles 6.5 and 6.6 for complete details.

G. Remodel Date: ____

H. Notices:
If to Franchisor:

PRESIDENT
Egg N Bird Franchising, Inc.
1220 West Trinity Mills Road Suite 212
Carrollton, Texas 75060

If to Franchisee:

____

____

J. Designated Manager (Section 7.6):________________________________

K. Type of Store: ☐ Traditional Store ☐ Non-Traditional Store

RECITALS

A. Franchisor has developed and continues to develop a System (as defined below) for the operation of retail stores that specialize in the offer and sale of egg and chicken sandwiches, and, if required or permitted by Franchisor, beverages and other similar and dissimilar items of food, beverage and merchandise under the Marks (as defined below), using valuable trade names, trademarks and service marks belonging to Franchisor and which system features distinctive business formats, systems, copyrights, methods, recipes, procedures, designs, layouts and specifications and various Trade Secrets and other Confidential Information, and in some cases, includes architectural designs, trade dress, uniforms, equipment specifications, layout plans, inventory, record-keeping and marketing techniques developed and owned by Franchisor.

B. Franchisor and/or its Affiliates may operate, and Franchisor licenses and franchises others to operate stores that utilize Franchisor's business operating methods for a store, including interior and exterior store design; other items of trade dress; specifications for equipment, fixtures, and uniforms; formats; systems; copyrights; Manuals; methods; procedures; designs and layouts; specifications; defined product offerings, recipes and preparation methods; Trade Secrets and other Confidential Information; standard operating and administrative procedures; management and technical training programs; inventory procedures; marketing and public relations programs; and other materials, trade secrets, know-how, and technology, all as the same may exist today or as they may change from time to time, as specified in the Manual or as otherwise directed by Franchisor from time to time (the "**System**").

C. Franchisor owns or controls various trademarks, service marks, trade names, logotypes, trade dress, designs (including product package designs), symbols, emblems, logos, insignias, external and internal building designs, and architectural features, copyrights, and combinations of the foregoing, which are used by Franchisor, its franchisees and licensees in offering, selling, and distributing its products and services, all of which, together with those trademarks, service marks, trade names, logotypes, commercial symbols, and copyrights that Franchisor designates (including substitutions and modifications) from time to time are collectively referred to herein as the "**Marks**."

D. The retail stores that Franchisor and its Affiliates operate under the Marks and using the System and that Franchisor license and franchise third parties to operate under the Marks and System enjoy widespread public acceptance due in part to (1) high standards for the ingredients, preparation, presentation, and service of food, beverages and other items; (2) the menu, image, appearance, and methods of operation of the stores; (3) use of the System and the valuable and distinctive Marks; and (4) Franchisor's franchisees' and licensees' commitments to maintain and enhance the goodwill and public acceptance of authorized products, services, and stores by adherence to these Franchisor's standards as they now exist and may be revised from time to time.

E. Franchisee desires, and has applied for a franchise, to establish and operate a physical retail store that specializes in the offer and sale of egg and chicken sandwiches, and, if required or permitted by Franchisor, beverages and other similar and dissimilar items of food, beverage and merchandise under the Marks and using the System (the "**Store**") at a location to be specified and accepted by Franchisor, in accordance with the terms of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Franchisor and Franchisee, and intending to be legally bound hereby, the parties agree as follows:

GENERAL TERMS AND CONDITIONS

Article 1 GRANT OF FRANCHISE

1.1 License Rights. Franchisor licenses Franchisee the limited right and license and Franchisee hereby accepts the right and license, during the Term, to use the System in operating a franchised business under the Marks.

1.2 Single Site and Relocation. Franchisor grants Franchisee the right to operate a Store only at a single, Franchisor-accepted physical location. Franchisee shall conduct the business only from the accepted location. Franchisee shall not delegate, franchise, or sub-franchise the right to use the Marks or authorize (whether by management agreement or otherwise) any independent contractor or any other party, including those with whom Franchisee conducts business, to use the Marks. The accepted location for the Licensed Store is or shall be stated in **Item A** of the Contract Data Schedule of this Agreement. If at execution of this Agreement the accepted location is not mutually selected and state in Item A, Franchisor shall designate the geographic area within which Franchisee may seek a location for the Licensed Store. Franchisee shall have no right to relocate the Store, and Franchisee shall not relocate the Licensed Store without first obtaining Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. The Store to be developed and operated hereunder may sometimes be referred to herein as the "**Licensed Store**."

1.3 Reservation of All Other Rights. Franchisee acknowledges that it is not granted any territorial rights or protection, except that Franchisor will not authorize another person or entity to operate a physical retail Store at the specific physical location that Franchisor has accepted for the Licensed Store.

A. The license granted to the Franchisee under this Agreement to use the Marks is non-exclusive and Franchisor reserves all rights, except as expressly stated in this Agreement, including but not limited to the right to open additional Stores (and other food service facilities) and to offer additional franchises and licenses for additional Stores (and other food service facilities) to other persons and entities as Franchisor deems in its best interest and in its sole and absolute discretion, including under the Marks both within and outside the Licensed Store's trading area, and to develop and license other names and marks on any such terms and conditions as Franchisor deems appropriate.

B. Without limiting the generality of the foregoing, Franchisor expressly reserves all rights including, the exclusive, unrestricted right, in its discretion, directly and indirectly, itself and through its employees, affiliates, representatives, franchisees, licensees, assigns, agents and others to do the following: (1) establish, operate, sell and franchise and license others to establish and operate Stores and to sell products under the Marks and other items and services under the Marks and other trademarks and service marks through stores located anywhere; (2) engage in electronic commerce, internet deliver products and other items and services to customers anywhere; (3) sell, market, distribute, solicit, and license others to sell, market, distribute and solicit sales of pre-packaged products, other items identified under the Marks or by other brand names, whether or not these brands are authorized for Franchisee's use as well as other products or services under the marks and other marks through different channels of commerce such as super markets, wholesale markets, and convenience stores as well as through the Internet, telemarketing, catalog sales, or other direct marketing sales; and (4) develop and operate and license others to own and operate stores and other food service facilities and business at (each a "non-traditional" location) (i) any location within another primary business or in conjunction with institutional and other business or institutional settings, including, but not limited to, resorts, hotels and motels, ships, ports, piers, casinos, arenas, fairs, stadiums, airports, gyms, colleges and universities, schools, hospitals, medical centers, military and other governmental facilitates (including commissaries), toll roads, travel plazas, office or in-plant food facilities, health clubs, shopping malls, supermarkets, grocery stores, anchor retail department stores, big-box retailers, specialty retailers, convenience stores, fast food operations such as food courts, and any location to which the general public does not have unlimited access and/or any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider; (ii) mobile outlets, temporary or seasonal food service facilities; and/or (iii) commercial kitchen facilities that provide order and delivery-only services, which may include the associated online or mobile ordering and delivery and/or pick-up services. Examples of non-traditional locations include mobile outlets (such as food trucks), "ghost" kitchens, kiosks, concessions, multi-brand facilities, grocery stores, club stores, convenience stores, concert venues, casinos, toll roads, hotels and motels, ships, travel plazas, ports, piers, supermarkets, convention centers, airports, resorts, amusement parks, sports stadiums, fairs, expositions, college and university buildings, military bases and/or commissaries, hospitals and medical centers, and other venues operated by a master concessionaire or contract food service provider.

Article 2 TRADEMARKS AND COPYRIGHTS

2.1 Use Permission. Franchisor grants to Franchisee the right and license to use the Marks at the Licensed Store and nowhere else, except as expressly approved by Franchisor during the Term (as defined below) for identification, advertising, and promotion of the Licensed Store. Franchisee shall adopt and use the Marks only in the manner expressly approved by Franchisor from time to time during the Term (as defined below).

2.2 Ownership of Marks, Additions, Deletions, and Changes. Franchisee acknowledges: that Franchisor owns the Marks; that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to operating the Licensed Store in compliance with this Agreement and all Franchisor's standards, specifications, and operating procedures; that all goodwill developed from Franchisee's use of the Marks shall be for Franchisor's exclusive benefit; and, that this Agreement does not confer any goodwill or other interest in the Marks on Franchisee except the limited right to use them in operating the Licensed Store in compliance with this Agreement. Nothing contained in this Agreement shall be construed to vest in Franchisee any right, title or interest in or to the Marks, the goodwill now or hereafter associated therewith, or any right in the design or any Store building, other than the limited rights and license expressly granted herein. Franchisor shall have the right at any time and from time to time upon notice to Franchisee to make additions to, deletions from, and changes in the Marks, or any of them, all of which additions, deletions and changes shall be as effective as if they were incorporated in this Agreement. Franchisee represents, warrants, and promises that neither during the Term of this Agreement nor after the expiration or other termination hereof, shall the Franchisee directly or indirectly contest or aid in contesting the validity, ownership or use of the Trademarks by the Franchisor or take any action whatsoever in derogation of the rights claimed therein by the Franchisor.

2.3 Restriction on Use. Franchisee shall not use any Mark or Marks as part of any corporate or trade name or with any prefix, suffix, or in any modified form or with other modifying words, terms, designs or symbols, unless specifically approved by Franchisor in writing. Franchisee shall be permitted to identify Franchisee's business using a fictitious business name of Franchisee's Store in a format as the law permits and Franchisor approved or designates, in Franchisor's sole discretion, from time to time, such as "Egg N Bird®" of [geographic designation]. Franchisee shall file all fictitious name affidavits required by law in the state and county where Franchisee is located. Franchisee shall not use the Marks in any manner not expressly authorized in writing by Franchisor. Franchisee shall use and display all Marks in the manner Franchisor specifies. Franchisee shall use the encircled R registration symbol "®" with Marks that are registered in the U.S. Patent and Trademark Office and shall give additional notices of trade and service mark registrations as Franchisor specifies. Franchisee shall refrain from any business or marketing practice that might injure Franchisor or the business and goodwill associated with the Marks or the System.

2.4 Trademark Protection. Franchisor shall have no obligation to protect Franchisee against claims of infringement or unfair competition arising out of the use of the Marks or to defend Franchisee in any legal action. However, Franchisor will take such action as Franchisor considers appropriate under the circumstances, provided Franchisee has promptly notified Franchisor in writing of the facts of the claim or challenge and provided further that Franchisee has used the Marks in strict accordance with this Agreement and all Franchisor's rules, regulations, requests, and procedures. Franchisor may assume the defense of the action at any time, even if Franchisor initially declined to take over the defense. If Franchisor chooses to defend Franchisee, then Franchisee shall fully cooperate with Franchisor in that defense.

2.5 Control of Actions and Trademark Usage. Franchisor shall have the sole right to bring and control any legal actions or proceedings including settlements involving claimed trademark infringement or unfair competition against Franchisee or against others using the Marks. Franchisor may, at Franchisor's sole discretion, prosecute or defend any infringement or unfair competition claim involving the Marks or any other actions or proceedings that Franchisor deems necessary or desirable to protect the Marks.

2.6 Notification of Claims. Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of any Marks or claim by any person of any rights in any Mark. Franchisee shall not communicate with any person other than Franchisor or Franchisor's legal counsel concerning the alleged infringement, challenge, or claim. Franchisee shall execute any instruments and documents, provide assistance, and do those things (including being named as a party) that, in the opinion of Franchisor's legal counsel, may be necessary or advisable to protect and maintain Franchisor's interests in any litigation, or U.S. Patent and Trademark Office, or other proceeding, or otherwise protect and maintain Franchisor's interests in the Marks.

2.7 Stopping or Changing Use of Marks. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor or Franchisee to modify or stop using any Mark(s) or to use one or more additional or substitute trade or service marks, Franchisee shall comply with Franchisor's directions to modify or stop using the Marks or to use one or more additional or substitute trade or service marks within a reasonable time after notice from Franchisor. Franchisor shall have no obligation to pay for or reimburse Franchisee for the expenses to modify or stop using any Mark(s), or in substituting different trade or service marks.

2.8 Copyrights. Franchisor claims copyright rights in the Manual, construction plans, advertising and promotion materials, and in other materials used in the System. Franchisee acknowledges that Franchisor owns such copyright rights regardless of whether the copyrights are at any particular time registered in the Copyright Office of the Library of Congress.

2.9 Franchisor's Rights to Additional Trademarks and Other Marks. Franchisee understands and expressly acknowledges and agrees that the Franchisor has the exclusive, unrestricted right to engage directly and indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, within the Licensed Store's trading area and elsewhere, in (a) the production, distribution and sale of food products and beverages under the Trademarks licensed hereunder or other marks; and (b) the use, in connection with such production, distribution and sale, of any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by the Franchisor, whether or not licensed to Franchisee.

2.10 No Pre-Packaged Products. Except as expressly permitted by this Agreement and the Manual, the license granted under this Agreement does not include any right or authority of any kind whatsoever to Franchisee to produce or sell, or license others to produce or sell, pre-packaged food products or beverages under the Marks.

2.11 Use Only in Good Taste. Franchisee shall use and display the Marks only in good taste (per Franchisor's judgment) and shall not use the Marks in connection with any statement (including in advertising and social media) or material which may, in the judgment of Franchisor, be in bad taste or inconsistent with Franchisor's public image, or tend to bring disparagement, ridicule or scorn upon Franchisor, the Marks, or the goodwill associated therewith.

Article 3 CONFIDENTIAL BUSINESS OPERATIONS MANUAL

3.1 Confidential Business Operations Manual. Franchisor has created a Confidential Business Operations Manual (the "**Manual**") which contains policies, specifications, procedures, and instructions developed by Franchisor pertaining to the operation of Stores. During the Term, Franchisor will loan, or make available (if in electronic format) to, Franchisee one copy of the Manual.

3.2 Ownership. The loaned copy of the Manual and its contents are solely Franchisor's property. Franchisee shall return the loaned copy of the Manual to Franchisor promptly on expiration or termination of this Agreement. The Manual and all amendments to the Manuals (and copies thereof) are copyrighted and remain Franchisor's property. The Manuals are highly confidential documents which contain certain Confidential Information of Company. Franchisee shall not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Manuals without Franchisor's express prior written consent.

3.3 Confidentiality. Franchisee acknowledges and agrees that the contents of the Manual are confidential and proprietary to Franchisor. Franchisee shall keep the contents of the Manual confidential, shall take all commercially reasonable steps to maintain the confidentiality of the Manual, and shall take any additional steps that Franchisor requests from time to time to protect the confidentiality of the Manual. Franchisee shall make no copy in any format whatsoever of the Manual or any portion of the Manual.

3.4 Additions and Modifications. Franchisor may from time to time add to, delete from, supplement or otherwise modify the contents of the Manual. Franchisee shall promptly insert any revised pages or other forms of supplements into the loaned copy of the Manual. In any dispute about the contents of the Manual, any master copy maintained by Franchisor shall be deemed to be controlling. Franchisor has the right to develop, operate and change the policies, specifications, procedures, and instructions in any manner and Franchisor shall have the right to modify the Manual at any time and from time to time; provided, that no such modification shall alter Franchisee's fundamental status and rights under this Agreement. Modifications in the Manual shall become effective upon delivery of written or electronic notice thereof to Franchisee unless a longer period is specified in such written notice or unless a longer period is set forth in this Agreement. Franchisee agrees that Franchisor reserves the right and privilege, in its discretion to vary the Manual and the policies, specifications, procedures and instructions set forth therein for any franchisee or group of franchisees based on the peculiarities of any condition or factors that Franchisor considers important. Franchisee has no right to require Franchisor to grant a similar variation or accommodation. The Manual, as modified from time to time, shall be an integral part of this Agreement and reference made in this Agreement, or in any amendments, exhibits or schedules hereto, to the Manual shall be deemed to mean the Manual kept current by amendments from time to time. If the Contract Data Schedule reflects that the Licensed Store is a Non-Traditional Store, then Franchisee hereby acknowledges and agrees that Franchisee may be required by Franchisor to comply with different specifications, standards and instructions than Stores that are not Non-Traditional Stores, in each case as Franchisor determines in its sole discretion from time to time throughout the Term and communicates to Franchisee.

3.5 Acknowledgement of Critical Nature of Uniformity within the System. Subject to variation permitted by Franchisor, Franchisee acknowledges and agrees that strict conformity with the System, including the standards, specifications, systems, procedures, requirements, and instructions contained in this Agreement and in the Manual, is vitally important to the success not only of Franchisor, but to the collective success of the System, including Franchisee, by reason of the benefits all franchisees and Franchisor will derive from uniformity in food products, identity, quality, appearance, facilities, payment methods (including gift certificates, gift cards, stored value cards, customer loyalty programs, etc.), social networking, websites, advertising, promotions, and service among Stores. Any failure to adhere to the standards, specifications, requirements, or instructions contained in this Agreement or in the Manual shall constitute a material breach of this Agreement.

The System does not include policies or procedures regarding human resources or security issues. In the event Franchisor elects in the future to communicate any policies or procedures regarding human resources or security issues, Franchisee's adoption or use of them will be completely voluntary and at Franchisee's sole discretion, unless Franchisor unequivocally requires in writing Franchisee to implement them. Franchisee hereby acknowledges and agrees that Franchisor is not responsible for and does not control the policies or procedures of Franchisee regarding the human resource, employment, work environment or the safety of Franchisee's employees, customers or guests.

3.6 Compliance. Franchisee shall operate the Licensed Store in compliance with all the contents of the Manual, as modified from time to time by Franchisor, and Franchisee acknowledges and accepts that additional investment and expenditures by Franchisee may be necessary in order to comply with such modifications.

Article 4 TRAINING

4.1 Training Programs. Franchisor will provide an initial training program and may provide other mandatory and optional training programs. All training programs will be conducted at locations and times that Franchisor designates.

4.2 Initial Training. During the thirty (30) days prior to Franchisee's scheduled opening, Franchisor shall provide two management individuals selected by Franchisee (which may be Franchisee and Franchisee's initial store-manager, two managers, or Franchisee and Franchisee's spouse, if both are actively involved in the operation of the Licensed Store) with Franchisor's initial training program, which training shall be at Franchisee's expense. The parties acknowledge that the initial training program is anticipated to occupy each trainee on a full-time basis and to last eighteen (18) days. Training shall take place at a location designated by Franchisor, which may be a Franchisor-operated store or the Licensed Store. Each additional management employee of Franchisee must be trained to the sole, subjective satisfaction of Franchisor, and Franchisee shall pay each additional brand training fee as provided in Section 6.3.

4.3 Failure to Complete Initial Training. If Franchisee or the initial store manager fails to complete the initial training program to Franchisor's sole, subjective satisfaction, then Franchisor shall have the right to terminate this Agreement effective on delivery of notice of termination to Franchisee. On termination under this Section, there shall be no refund of any fee or expense, and Franchisor shall keep all initial franchise and other fees paid.

4.4 Additional Mandatory and Optional Training. Franchisor, at Franchisor's discretion, may provide from time to time mandatory or optional training programs on new products, operating procedures, selling techniques, services, preferred suppliers, management skills, and other aspects of business operations that Franchisor believes may be beneficial. Franchisor shall have the right to determine the duration, location, composition, subject matter, whether or not there will be an additional charge for a particular program, the amount of the charge, and all other aspects of these training programs. Franchisee shall attend and complete, and cause Franchisor-described personnel to attend and complete, all training programs that Franchisor specifies as mandatory.

4.5 Training Requested by Franchisee. If Franchisee requests and Franchisor agrees to provide training or assistance at the Licensed Store in addition to the initial training, Franchisee shall pay Franchisor's then standard rates for each day of such additional training or assistance and reimburse Franchisor's expenses for these special or additional training programs, including but not limited to compensation and reasonable expenses of instructors.

4.6 Franchise Specific Additional Training. Special or additional training programs may be implemented by Franchisor at Franchisor's sole discretion when Franchisor believes such programs could provide particular value to Franchisee or that Franchisee is in particular need for such training. Franchisee shall pay Franchisor applicable training fees and reimburse Franchisor's expenses for these special or additional training programs, including but not limited to compensation of instructors, payment for facilities, and training manuals.

4.7 Training Expenses. Franchisee is solely responsible for all expenses incurred by Franchisee, Franchisee's designated manager, and other of Franchisee's employees for all training programs including training fees, cost of travel, lodging, meals, and compensation. There will be no compensation of any kind from Franchisor for work performed or participation in any training program, even if the training involves customer service, food preparation, or other work at or beneficial to a Store owned or operated by Franchisor or another franchisee.

4.8 Proprietary Materials. At the Initial Training Program or other training programs (if any), Franchisor may provide to Franchisee proprietary information, training materials, training curricula, and related materials for use in connection with the training of Franchisee's management and staff. Such items are deemed Confidential Information and will remain the property of Franchisor. Franchisor may also from time to time make available to Franchisee for purchase other materials relevant to the System and the Licensed Store. Franchisee must not, and must not allow its employees or others, to copy, reproduce, disseminate, or otherwise reveal to third parties any of such proprietary information or materials without Franchisor's express, prior, written consent.

4.9 Conventions. From time to time, Franchisor may, but is not obligated to, arrange for meetings or conventions of franchisees and licensees to provide additional exchange of information and ideas, to recognize accomplishments of franchisees, or for other purposes related to the System. Franchisee shall, at Franchisee's expense, attend and participate in all meetings and conventions that Franchisor designates as mandatory.

Article 5 MARKETING

5.1 Marketing Fund.

A. <u>Establishment</u>. Franchisor has established a marketing fund to advertise and promote the System (the "**Marketing Fund**").

B. Uses. The Marketing Fund collected is mainly used for international, national, regional or local marketing purposes, but may also be used for advertising, marketing, public relations, and related purposes that Franchisor deems appropriate, in its sole discretion. By way of illustration and not limitation the Marketing Fund may be used to pay costs of marketing surveys and research; employing public relations firms; developing and maintaining Internet website and social media communications; preparing and producing video, audio and written marketing materials; buying Internet, social media, TV, radio, satellite, podcast, magazine, billboard, newspaper and other media advertising; employing advertising agencies; providing or selling marketing materials to Stores; holding conventions and meetings for personnel of Stores; and paying costs to account for and report on contributions, expenditures, and related activities of the Marketing Fund.

C. Promotion Materials. Franchisor may use the Marketing Fund to develop and market promotional items from time to time. If and when developed, those items will be made available to Franchisee for purchase at Franchisee's sole cost and expense. Franchisee shall maintain a representative inventory of promotional items in accordance with requirements established by Franchisor.

D. Coupons. The Marketing Fund may be used to develop programs that include special offers and coupons. Franchisee shall honor all such special offers and coupons. Franchisor has no obligation to reimburse Franchisee for any cost or discount related to acceptance of coupons or special offers.

E. Franchisee's Contributions. Franchisee shall contribute the amounts stated in Section 6.6 to the Marketing Fund. Franchisee's contributions to the Marketing Fund are non-refundable.

F. Franchisor Contributions. Franchisor, or its affiliates who operate Stores, may, but shall have no obligation to, make periodic contributions to the Marketing Fund.

G. Contributions from Other Sources. Franchisor shall have the right, but is not obligated, to collect and contribute to the Marketing Fund any advertising or other rebates received from suppliers or others.

H. Maintenance. Contributions to the Marketing Fund may, but need not be maintained in accounts separate from Franchisor's other funds. The Marketing Fund will not be used to defray Franchisor's general operating expenses, except Franchisor may allocate a portion of the Marketing Fund (not to exceed twenty-five percent (25%)) to reimburse it for internal expenses (including an allocation of employee salaries) incurred in the operation and the administration of the Marketing Fund, which may include costs associated with developing, managing and placing advertisements.

I. Administration. Franchisor shall oversee all programs financed by the Marketing Fund, with sole discretion over their creative concepts, materials, timing, placement, allocation and other aspects. Franchisor has no obligation to cause Marketing Fund expenditures to benefit any particular Franchisee or group of Franchisees or DMA equivalently or proportionately to Franchisee's contributions, or at all, or to ensure that Franchisee or any one or more particular franchisees benefit directly or pro rata from uses of the Marketing Fund.

J. Timing. Franchisor will give consideration to spending contributions to the Marketing Fund during approximately Franchisor's fiscal year when the contributions were made. Franchisor shall have the right to spend in any fiscal year, more or less than the amount of contributions to the Marketing Fund made in that year. Funds not spent in a fiscal year when contributed may be retained and applied and used for Marketing Fund expenses in other years, which could also include payment of expenses from prior years. The Marketing Fund may borrow from Franchisor or others to finance operations and to cover deficits.

K. Accounting. A summary unaudited statement of Marketing Fund contributions and expenditures shall be prepared annually and shall be made available to Franchisee upon written request, which request must have been made during the succeeding calendar year. Franchisor shall have the right but no obligation to cause statements to include an independent certified public accountant's audit of Marketing Fund contributions and expenditures. Franchisor shall have the right to cause the Marketing Fund to pay for or reimburse Franchisor for the cost incurred in connection with the preparation of such statements.

L. Termination. Franchisor shall have the right to terminate or suspend operation of the Marketing Fund at any time, either temporarily or permanently, effective when arrangements have been made for the use or expenditure of monies in the Marketing Fund. Franchisor shall have the right to restart the Marketing Fund after termination or suspension.

5.2 Advertising and Promotion Activities by Franchisee. In addition to any contributions by Franchisee to the Marketing Fund, Franchisee shall advertise and market the Licensed Store in amounts described in Section 6.7. Franchisee shall provide Franchisor written verification of Franchisee's local advertising expenditures, as Franchisor requires from time to time. Franchisee shall obtain the prior written approval of Franchisor of all marketing and advertising materials developed by Franchisee, which consent shall be granted or withheld in Franchisor's sole discretion. Franchisee shall be responsible to assure that all advertising, promotion and marketing by Franchisee are clear, truthful and not misleading, and conform to the highest standards of ethical marketing and promotion policies that may be prescribed by Franchisor. Franchisee shall not advertise, solicit business or make sales via the Internet, catalog sales or telemarketing or create or maintain a website without first obtaining Franchisor's written consent, which consent Franchisor may withhold in its sole discretion.

Moreover, as and when instructed by Franchisor, Franchisee shall participate in advertising campaigns, promotions, event marketing, couponing, and all other types of marketing, advertising and promotional activities required by Franchisor; provided, however, Franchisee will not be required to spend in any given calendar year amounts in excess of what is required in aggregate under Sections 6.6, 6.7, and 6.9 below.

5.3 Advertising Submissions. Franchisee shall submit to Franchisor for Franchisor's prior written consent, samples of all advertising and marketing materials not prepared or previously consented to by Franchisor. If Franchisor does not provide a written consent to any advertising or other promotion materials within 10 days from receipt by Franchisor, Franchisor shall be deemed to have withheld consent. Franchisee shall not use any advertising or marketing related material to which Franchisor has not consented.

5.4 Telephone Directory. Franchisee shall list the Licensed Store's phone numbers in the principal telephone directories distributed in the metropolitan area and communities where the Licensed Store is located. Franchisee shall list the Licensed Store's phone numbers in such internet directories as Franchisor shall designate or approve.

5.5 Franchisor's Advertising. Franchisor shall provide and Franchisee shall be required from time to time to purchase proprietary marketing materials from Franchisor that Franchisor considers suitable for use at local Stores. Franchisor may charge Franchisee at Franchisor's cost to produce these materials, including reasonable allocation of overhead and any shipping, handling and storage charges, payable when the materials are ordered. These payments are not refundable.

5.6 News and Publicity. In order to maintain the high reputation of the Stores and System and for the benefit of Stores and their respective owners, Franchisee shall report immediately by telephone to

Franchisor the occurrence of any incident at or concerning the Licensed Store or the business conducted there which is or is likely to become the subject of publicity through the news media or otherwise. Franchisee hereby acknowledges that Franchisor alone is authorized to speak or make statements, public or private, on behalf of the Egg N Bird brand or the System, and Franchisee shall in every instance consult and coordinate with Franchisor in advance of communicating with the media or of creating publicity for the brand or System outside the normal course of business.

Article 6 FEES

6.1 Initial Franchise Fee and Deposit. With execution of this Agreement, Franchisee shall pay Franchisor the Initial Franchise Fee (as stated in Item C of the Contract Data Schedule of this Agreement). The Initial Franchise Fee is fully earned upon execution hereof and is not refundable.

6.2 Limited Construction Project Management Services Fee. In accordance with Section 8.2, Franchisee shall pay to Franchisor a fee of Six Thousand Dollars ($6,000) for limited construction supervisory project management services.

6.3 Training Fees. Franchisor shall provide initial training to two management persons designated by Franchisee, who will be responsible for the management of the Licensed Store, at no additional charge to Franchisee. For each additional person to be trained at any time throughout the Term, Franchisor may charge a reasonable fee and require reimbursement of Franchisor's administrative and out-of-pocket expenses incurred in providing such training, and Franchisee shall pay the then-required amounts to Franchisor prior to commencement of the pertinent training, which amount shall be non-refundable.

6.4 Continuing Royalty. Franchisee shall pay Franchisor a monthly continuing Royalty Fee (the "**Royalty Fee**") equal to the greater of (i) the Royalty Fee Rate (as stated in Item E of the Contract Data Schedule of this Agreement) multiplied by of Franchisee's Gross Sales each month or partial month of the Term, or (ii) commencing six months following the Opening Date, Four Thousand Dollars ($4,000, but prorated for a partial month). The Royalty Fee shall commence on the earlier of the Opening Date (as defined in Section 8.2) or the date the Licensed Store opens for business to the public. When payable, the base royalty ($4,000) shall be payable on the 15th of each calendar month for that month. Any balance owing shall be due and payable by the 5th calendar day of the following month based upon actual Gross Sales derived in the prior month. If Franchisee fails to pay any royalty payment as and when due, the unpaid royalty fee shall be increased to six and one half percent (6.5%) of Franchisee's Gross Sales for the prior month, or Four Thousand Three Hundred Dollars ($4,300), whichever is greater. Royalty payments shall be accompanied by such reports of Gross Sales in the form specified or approved by Franchisor from time to time.

6.5 Gross Sales Defined. "**Gross Sales**" is defined to include all sums or things of value received by Franchisee in and from Franchisee's business from all sales or other transactions for goods, services, or anything else whether for cash, check, credit, barter, or otherwise, including sales where orders originated at or were accepted by Franchisee at one location but delivered or performance made from or at any other location. Gross Sales will be calculated before any deductions for service fees, commissions, license fees, membership fees, or the like retained by online ordering platforms, service providers, or otherwise. Gross Sales do not include discounts or refunds to customers or the amount of any sales taxes separately itemized that are collected from customers for payment to a federal, state, or local taxing authority and actually paid to that authority.

6.6 Franchise Marketing Fund Fee. For each calendar month throughout the Term (and for each partial calendar month, as applicable, at the beginning and end of the Term), Franchisee shall contribute to the Marketing Fund a Marketing Fund Fee in an amount equal to the Marketing Fee Rate (as stated in Item F of the Contract Data Schedule of this Agreement) multiplied by Franchisee's Gross Sales from the previous calendar month (or partial month, as applicable) (the "**Marketing Fund Fee**"). The Marketing Fund Fee based on any given calendar month's Gross Sales shall be payable on the fifth (5th) day of the immediately following calendar month and shall be based on the previous month's Gross Sales. If Franchisee fails to pay the Marketing Fund Fee by the fifth (5th) calendar day of such immediately following month, the Marketing Fund Fee shall then automatically be, and Franchisee shall pay, two and one-half percent (2.5%) of Franchisee's Gross Sales for the prior month. Franchisor shall have the right from time to time to modify the percentage of Gross Sales that Franchisee shall contribute to the Marketing Fund, provided that Franchisor shall not establish a contribution rate greater than five percent (5%) of Franchisee's Gross Sales.

6.7 Local Advertising; Grand Opening Advertising. Franchisee shall spend two percent (2%) of Gross Sales each month (the "**Local Advertising Expenditure**") on local advertising to enhance the reputation of the Licensed Store on a local level. Franchisee shall furnish Franchisor a monthly written report together with copies of receipts by the fifteenth of each month showing the expenditures made for local advertising in the prior month. If Franchisee fails to submit a report and receipts for a period of three (3) consecutive months, then at Franchisor's option, Franchisee shall pay: (1) Franchisor an amount equal two percent (2%) of Gross Sales (or such lesser amount as Franchisor may elect) for the applicable entire three-month period; and/or (2) thereafter an amount equal to two percent (2%) of Gross Sales. Franchisor shall spend on Franchisee's behalf the amounts so paid in such a manner or manners as Franchisor deems appropriate. Amounts that Franchisee is required to pay Franchisor pursuant to this Section may be debited by Franchisor in accordance with Section 6.8. Franchisee shall spend at least Ten Thousand Dollars ($10,000) on grand opening advertising in accordance with Franchisor's then-current standards.

6.8 Electronic Withdrawal Authorization. Franchisee shall execute a bank authorization in the form attached as an exhibit to the Franchise Disclosure Document or such other bank authorizations as Franchisor requests to enable Franchisor to automatically initiate debit entries and/or credit correction entries to Franchisee's bank account or credit card account for payments of the monthly royalty and advertising fees, other fees, charges, product purchase payments, or other amounts due to Franchisor or its affiliates under this Agreement, or any other agreement, including interest charges. Franchisee shall make sufficient funds available in its bank account for withdrawal by direct debit of all fees then due no later than each due date.

6.9 Cooperatives. Franchisor shall have the right to establish geographic areas of local or regional cooperative advertising and to require franchisees in the applicable geographic area to actively participate in and contribute such amounts determined by a majority vote of the cooperative members. Franchisee's contributions to any such cooperative shall in no event be less than two percent (2%) or more than five percent (5%) of Franchisee's monthly Gross Sales. Contributions to a cooperative established by Franchisor shall apply as a credit against the amounts that Franchisee is required to spend for local advertising pursuant to Section 6.7. Franchisor may elect to administer the cooperative advertising. At Franchisor's election, Franchisor may require the cooperative to be governed by written governing documents in form accepted by Franchisor. If and when created, these documents shall be available to Franchisee for review. The cooperative may elect to prepare annual or periodic financial statements and make them available for review by franchisees. Franchisor shall have the power to form, change, dissolve, or merge cooperative advertising. Notwithstanding the foregoing, if the type of Store set forth in the Contract Data Schedule is Non-Traditional Store, then Franchisee shall not be required to contribute to a cooperative with respect to the Licensed Store.

6.10 Insufficient Funds; Charges on Delinquent Payments. If any check, draft, electronic transfer or otherwise, is unpaid because of insufficient funds or this like, then Franchisee shall pay Franchisor an amount equal to $200 to compensate Franchisor for its costs associated with such insufficient funds or returned payment. All delinquent payments of any sums due Franchisor pursuant to any provision of this Agreement will be charged a monthly fee equal to 2% of the amount delinquent (subject to reduction if applicable law would require Franchisor to charge a lower fee) to partially compensate Franchisor for its additional efforts in accounting for and collecting delinquent sums. This provision does not authorize or excuse late payment.

6.11 Application of Payments; No Offset by Franchisee. Franchisor may apply Franchisee's payments to any amounts then due or overdue from Franchisee to Franchisor or Franchisor's affiliates, whether consistent with Franchisee's instructions or not. Franchisee may not offset or attempt to offset any claim(s) of, or any actual amount(s) owed to, Franchisee from Franchisor, any affiliate of Franchisor, or from any other person, against any amount(s) Franchisee owes Franchisor, any of Franchisor's affiliates, or any other person.

6.12 No Accord or Satisfaction. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment, or in any transmittal documentation enclosing any check or payment, or elsewhere will constitute or be construed as an accord or satisfaction.

6.13 Transfer Fee. As one of the conditions to transferring or assigning this agreement, Franchisee shall pay, prior to the transfer or assignment, Franchisor a non-refundable transfer fee equal to Twelve Thousand Five Hundred Dollars ($12,500). The transfer fee may be increased by Franchisor from time to time to reflect increases in the Consumer Price Index, as provided in Section 16.14, since the Effective Date or the last time such fee was increased pursuant to this sentence. If Franchisee is one or more individuals, and in the event that Franchisee proposes to transfer all of its interest in this Agreement to an entity formed by Franchisee solely for the convenience of ownership, the transfer fee will be reduced to Franchisor's then-current administrative fee. If Franchisee is an entity and Franchisee transfers or assigns less than 100% of the equity of the entity, the transfer fee will be equal to Franchisor's then-current administrative fee plus the product of $12,500 (as the same may be adjusted pursuant to process described above) multiplied by the percentage of the entity being transferred or assigned.

6.14 Inspection and Audit of Books and Records. At any time during business hours and without prior notice to Franchisee, Franchisor may inspect and audit the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of the Licensed Store, as well as Franchisee's books and records. Franchisee shall fully cooperate with Franchisor's representatives and accountants in any inspection or audit, and shall provide all such materials when, where, and in what form required by Franchisor.

6.15 Audit Charges. If any inspection or audit discloses a deficiency in payments to Franchisor, Franchisee shall immediately pay the deficiency. If the deficiency is two percent (2%) or more for any calendar month, then Franchisee shall also pay an audit fee of $10,000. If an inspection or audit discloses an overpayment, Franchisor will credit Franchisee for the overpayment, which may apply to amounts due in the future but shall not, under any circumstance, entitle Franchisee to any form of refund.

6.16 Liquidated Damages for Certain Breaches. The parties acknowledge that in view of the nature of the franchise system and the difficulty of precise measurement of damage to Franchisor's trademarks and reputation, determining the precise amount of damage to Franchisor that would result from unauthorized deviation from any of Franchisor's standards, specifications, or requirements would be particularly difficult. Accordingly, to simplify the process of determining damages, the parties agree that for any breach comprised of unauthorized deviation by Franchisee from any of Franchisor's standards, specifications, or requirements, including but not limited to use or sale of unauthorized consumable or non-consumable items, beverage materials, or other non-authorized product, Franchisee shall pay Franchisor liquidated damages in the amount of One Thousand Dollars ($1,000) per breach and One Thousand Dollars ($1,000) for each day that the breach continues for a maximum amount of 30 days or Thirty Thousand Dollars ($30,000). This liquidated damages provision is not an exclusive remedy and does not excuse the breach. Failure to cure the breach immediately after notice shall be grounds for termination of this Agreement. This liquidated damages provision does not apply to breaches other than those described in this Section.

6.17 Renewal Fee. As one of the conditions to entering into a renewal franchise agreement (on Franchisor's then-current form of franchise agreement), Franchisee shall pay Franchisor a non-refundable renewal fee equal to seventy-five percent (75%) of the then current initial franchise fee, except that the renewal fee will be fifty percent (50%) of the then current initial franchise fee if Franchisor has not notified Franchisee in writing at any time during the Term of Franchisee's default or breach of this Agreement.

Article 7 OBLIGATIONS OF FRANCHISEE

7.1 Maintenance of Location. Franchisee shall obtain and then maintain the right to occupy the premises of the Licensed Store during the entire Term. Franchisee shall provide Franchisor with a copy of the proposed deed, proposed lease, and other proposed instruments pertaining to Franchisee's ownership or right to occupy the Licensed Store premises at least 10 calendar days before executing or agreeing to any such instrument. Franchisee shall not execute or agree to any such instrument without first obtaining Franchisor's written consent.

7.2 Licensed Store Lease, Construction, and Lien Waivers. Franchisee must secure an accepted site and execute a lease for the Licensed Store within six (6) months from the date of execution of this Agreement. Franchisee shall hire an architect and general contractor from a list of Franchisor-approved architects and general contractors. (Franchisee may request Franchisor's approval of another architect ("**Franchisee's Architect**"), and, subject to Franchisor's approval of Franchisee's Architect and Franchisee's payment to Franchisor of a fee of no less than Five Thousand Dollars ($5,000) to compensate Franchisor for the work of Franchisor's staff with Franchisee's Architect to ensure that he or she fully understands and implements the brand image and identity into the plans, Franchisee may use Franchisee's Architect.) Franchisee shall cause the Licensed Store to be constructed at the Franchisor-accepted location in accordance with the Franchisor-accepted plans and specifications and in accordance with all applicable laws and regulations. Within sixty (60) days of the completion of construction, Franchisee shall have obtained lien waivers from the general contractor, all subcontractors and all suppliers of materials for the construction of the Licensed Store.

7.3 Opening Date. Franchisee shall open the Licensed Store for business to the public ("**Opening Date**") within one hundred-fifty (150) days after the landlord delivers the premises or Franchisee accepts possession of the premises ("**Delivery Date**"). Franchisor may, in its sole discretion, extend the Opening Date by written notice to Franchisee. If Franchisee fails to open the Store on or before the "opening date," Franchisee shall pay the Franchisor One Thousand Four Hundred Dollars ($1,400) per month (prorated for partial months) from the original Opening Date until such time that the Store actually opens for business. Each payment shall be due and payable in arrears on the first day of the first month immediately following the original Opening Date as defined above.

7.4 Franchisee Services. Franchisee shall offer for sale only products that Franchisor approves from time to time for sale at the Licensed Store. Franchisor may from time to time add to, delete, or modify products authorized for sale. Franchisee shall offer continuously all products that Franchisor authorizes Franchisee to sell from time to time. Franchisee agrees that Franchisor reserves the right and privilege, in its discretion to vary selection and type of products and services that Franchisee, or any other franchisee or group of franchisees is authorized to offer and based on the peculiarities of any condition or factors that

Franchisor considers important. Franchisee has no right to require Company to grant a similar variation or accommodation. Franchisee shall maintain high professional and ethical standards, observe preferred suppliers program requirements, if any, established by Franchisor, and shall conduct no other business under the Marks without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. Franchisee shall only sell finished goods and products that have been approved for sale at the Licensed Store and only to retail customers. Franchisee shall not sell any goods or products, whether finished or unfinished, to any person or entity for resale.

7.5 Full Time Effort. In addition to Franchisee's other obligations in this Agreement, Franchisee shall at all times devote Franchisee's best efforts to operate the Licensed Store so as to maximize sales and revenues in compliance with this Agreement and the Manual and applicable law. Franchisee, or a manager identified by Franchisee and consented to by Franchisor in writing, shall be devoted on a full-time basis to active management of the franchised business. If Franchisee is a business organization, then Franchisee shall designate an individual on whom Franchisor may rely for the personal active management of the franchised business pursuant to this Section 7.5 and who will dedicate a minimum of 40 hours per week exclusivity to the Licensed Store. Franchisee shall ensure that at least one fully trained employee shall operate the Licensed Store during operating hours.

7.6 Franchisee's Engagement and Staffing. Franchisee shall serve as (or else employ) the general manager and shall devote himself or herself on a full time, exclusive basis to the successful development, management, operation, and promotion of the franchised business and Licensed Store (the "**Designated Manager**"). Without limiting the generality of the foregoing responsibilities, throughout the Term Franchisee shall also:

(a) staff and operate the Licensed Store in a clean, safe and orderly manner, providing courteous, first-class service to the public seven days each week for at least the hours directed in the Manual (unless different hours or specific closure days have been expressly accepted in writing by Franchisor);

(b) order and maintain an adequate level of supplies and inventory to properly operate the Store as specified in the Manual;

(c) diligently promote and make every reasonable effort to increase the revenues and enhance the goodwill of the Store and of the System;

(d) Advertise the business of the Licensed Store by the use of the Marks and such other insignia, slogans, emblems, symbols, designs, and other identifying characteristics as may be developed or established from time to time by Franchisor and included in the Manual;

(e) Prevent the use of the Licensed Store for any immoral or illegal purpose, or for any other purpose, business activity, use, or function that is not expressly authorized herein or in the Manual; and

(f) Display at the Licensed Store brochures supplied from time to time by Franchisor describing the availability of the Egg N Bird franchise opportunity.

At all times from the date the Licensed Store first opens for business to the end of the Term, Franchisee shall cause there to be not less than two (2) individuals who have completed the initial training course to Franchisor's satisfaction (each a "**Trained Manager**") available to manage the Licensed Store on a full-time basis and at least one of the Trained Managers shall serve as the general manager of the Licensed Store. The individuals serving as Trained Managers may be Franchise Owners or full-time employees of the franchise business. In the event that at any time after the Licensed Store first opens for business, Franchisee fails to have a Trained Manager serving on a full-time basis as the Licensed Store's general manager, then Franchisee shall have five (5) business days to notify Franchisor in writing of such vacancy and shall have ninety (90) days from the first day without a Trained Manager serving as the general manager of the Licensed Store on a full-time basis to fill such general manager vacancy with a Trained Manager on a full- time basis.

7.7 Hours of Operation. Franchisee shall operate Licensed the Store continuously during hours that Franchisor specifies from time to time, which may require Franchisee to open for business as early as 6 a.m. and require Franchisee to stay open until as late as 3 a.m, the following day, and to be open as many as seven (7) days per week, and up to 365 days per year (366 days in a leap year).Franchisee acknowledges that Franchisee may be required to be open more or longer or otherwise different hours than Franchisor requires of other franchisees or Franchisor owned stores.

7.8 Test Markets. At the request of Franchisor, Franchisee shall cooperate and participate in the test marketing of products or services that Franchisor has deemed of potential value to the System. The timing, terms, procedures, advertising, promoting, and all other aspects of the test marketing shall be determined by Franchisor in its good faith discretion. Franchisee shall be fully responsible for purchasing ingredients, packaging, etc. required for such test marketing, and Franchisor shall be responsible for providing Franchisee with the use of any additional equipment required for the test. Any and all effects on the performance of the franchised business shall be solely the responsibility of Franchisee.

7.9 Employees. Franchisee shall assure that Franchisee's personnel are qualified, properly trained, and competent to perform the services required of them. At least one member of Franchisee's staff at the Licensed Store shall be certified by local authorities as an approved ANSI Food Safety manager. Franchisee shall, at Franchisee's expense, cause all replacement store managers to satisfactorily complete Franchisor's training program prior to commencing employment.

7.10 Quality Control and Inspection. Franchisee shall operate the Licensed Store in accordance with Franchisor's standards of quality, production, appearance, cleanliness, and service as prescribed by Franchisor and the Manual. At any time during business hours and without prior notice to Franchisee, Franchisor shall have the right inspect the Licensed Store premises and operation to ensure compliance with these requirements, including but not limited to the customer area, kitchen, offices, and any other part of the Licensed Store premises. Franchisee hereby consents to the video, audio and other recording of such inspections as Franchisor may determine in its sole discretion to be helpful. Franchisor shall have the right to require Franchisee to install and monitor security cameras at the Licensed Store and to provide copies of tape recordings to Franchisor upon request. Franchisee shall comply with all applicable privacy laws in connection with the installation and monitoring of such security systems.

7.11 Solving Customer Complaints. Franchisee shall provide prompt attention and response to any customer complaint and shall use its best efforts to resolve such complaint to customer's satisfaction. Franchisee shall inform Franchisor of any complaint that Franchisee fails to resolve to the customer's satisfaction within seven (7) days. Franchisor shall have the right, but no obligation, to elect to assist or elect to mandate a resolution to the customer complaint. Franchisee shall, at Franchisee's sole expense, implement any resolution that Franchisor directs.

7.12 Permits and Licenses. Franchisee shall obtain and maintain all permits and licenses required for the operation of the Licensed Store.

7.13 Financial Statements. For each full and partial calendar year throughout the Term, Franchisee shall provide Franchisor with Franchisee's then most recent, detailed, annual income, profit and loss statement, and balance sheet for each of Franchisee and the Licensed Store. Franchisee shall submit these to Franchisor no later than the thirtieth (30th) day after the end of each fiscal and calendar year of

Franchisee, using those forms that Franchisor prescribes and accurately reflecting all sales and other financial data requested by Franchisor, together with a copy of Franchisee's corresponding federal tax return, and certifying the accuracy and completeness of each such submission to Franchisor. Upon request from Franchisor, Franchisee shall also provide Franchisor with monthly financial statements and other data and information regarding financial and operational results of the franchised business in the frequency, format and medium that Franchisor specifies from time to time.

7.14 Records and Reports. Franchisee shall submit to Franchisor weekly and monthly sales reports, as well as other intervals or periods requested by Franchisor, on such forms prescribed by Franchisor. Franchisee shall maintain copies of all records and reports concerning the franchised business that Franchisee files with federal, state, and local government agencies for at least seven (7) years and shall provide copies of those reports to Franchisor when filed.

7.15 Restricted Purchasing. Franchisee shall purchase from Franchisor or third party sources designated or accepted in writing by Franchisor from time to time, all food ingredients, construction and packaging materials, supplies, equipment, stationery, and other items or services, including, signage, décor materials, lighting and plumbing fixtures, flooring, furnishings, food production equipment, point-of-sale and communications equipment, food and beverage ingredients, packaging, paper goods, cleaning supplies, and other goods and services. Franchisee acknowledges that Franchisor may elect to be the sole authorized source (or may designate an affiliate of Franchisor as the sole authorized source) for various items and services. Franchisor reserves the right to require that Franchisee purchase and use specific brand items and services in operating the Licensed Store. Franchisor and its affiliates shall have the right to the benefit of all discounts, volume rebates, administration fees, commissions, advertising allowances, or other advantages which Franchisor and its affiliates may obtain from any person supplying products or services to Franchisee or other Egg N Bird franchisees. Franchisee shall not have any claim or action against Franchisor in connection with any non-delivery, delayed delivery, or non-conforming delivery of or by any supplier or distributor whether or not accepted by Franchisor.

7.16 Alternative Suppliers. If Franchisee wants to purchase required ingredients, materials, equipment, furniture, or items or services from a source other than Franchisor or Franchisor's approved or designated suppliers, Franchisee shall first submit information to Franchisor concerning the proposed supplier and pay Franchisor's then current supplier evaluation fee plus reimburse Franchisor of Franchisor's expenses. The submitted information shall include a complete description of the history and credit rating of the proposed supplier, description of what goods or services Franchisee wants to purchase from the proposed supplier, information relevant to the proposed supplier's ability to satisfy Franchisor's standards, ability to provide reliable service, references, and other information that Franchisor may request or designate from time to time. Franchisee shall arrange for the proposed supplier to cooperate in testing or analysis in a manner that Franchisor designates, and at the expense of Franchisee or the supplier, to enable Franchisor, in its sole discretion, to ascertain whether the supplier and proposed goods or services to be purchased are of satisfactory quality, reliability, and other characteristics. Franchisor will endeavor to notify Franchisee in writing whether Franchisor accepts or rejects the proposed supplier and proposed goods or services and the reasons for any disapproval, all within fifteen (15) business days after Franchisor's receipt of all information that Franchisor deems necessary to make its decision. If Franchisor does not approve or reject a proposed product or supplier within such fifteen (15) business day period, the request for approval will be deemed denied.

7.17 Franchisor as Supplier or Distributor. Franchisor also reserves the right to open Franchisor- owned commissaries or other facilities to supply franchisees operating under the System and Marks, including Franchisee, at prices and on terms it may establish and modify from time to time. At any time or from time to time, Franchisor may also, at its sole option, work with third parties to obtain, supply, store, or distribute inventory to Franchisee and other products or services accepted by Franchisor for use by Franchisee in the Licensed Store, which Franchisor shall be entitled to recover the reasonable cost to Franchisor of administering the inventory and distribution of any such products or services directly from Franchisee or as part of the fees charged Franchisee by any such supplier or distributor.

7.18 Point of Sale System, Independent Access. Franchisee shall purchase from Franchisor or other entity designated by Franchisor point of sale electronic cash register(s) or computer systems ("**POS System**") meeting specifications designated by Franchisor. Franchisor shall have the right to require that the POS System connect electronically with and provide electronic access from equipment of Franchisor. Franchisee shall execute any and all necessary agreements and pay reasonable acquisition, service, maintenance, upgrade, and other, related fees and charges for the installation, set-up, maintenance, servicing, use, and other aspects of the POS System. Franchisee shall arrange to provide Franchisor with independent, direct access to all information and data in or generated by Franchisee and Franchisee's Point of Sale System and store management system. Franchisee shall not modify any POS function in any manner that would block or in any way impair Franchisor's access to Franchisee's computer systems, including the POS System.

7.19 Surveys. Franchisee shall present to customers of the Licensed Store, evaluation and survey forms that Franchisor requests from time to time, and Franchisee shall participate in and ask customers to participate in any evaluations and surveys performed by Franchisor or on Franchisor's behalf, including providing promotional rewards to customers at Franchisee's expense, in exchange for such participation.

7.20 Standards. Franchisor shall have the right to establish standards, specifications, and procedures for any or all aspects of the Licensed Store, including size, construction materials, floor plan, exterior treatment, interior treatment, signage, lighting and fixtures, equipment, flooring, furniture, heating ventilation and air conditioning system, security system, communication system, etc. Franchisee shall comply with all such standards, specifications, and procedures imposed by Franchisor. Franchisee shall subscribe to, install, and use any equipment and services required by Franchisor, including but not limited to a water filtration system and any other products or services required from time to time by Franchisor.

7.21 Modifications. Franchisor shall have the right, but no obligation, from time to time to modify selected or all elements of the System. Franchisee acknowledges that modifications may result in additional expenses to Franchisee and may require Franchisee to invest additional capital in the Licensed Store. Franchisee shall timely implement modifications when requested by Franchisor. Such modifications shall be deemed to have taken place pursuant to the terms of this Agreement, and do and will not constitute modifications of this Agreement.

7.22 Signage. Franchisee shall display at the Licensed Store all and only those interior and exterior signs, menu boards, point of sale materials, and displays that Franchisor has supplied or approved in writing from time to time.

7.23 Construction Permits. Franchisee shall obtain all permits and licenses required to construct, occupy, and operate the Licensed Store in compliance with plans and specifications furnished to Franchisee by Franchisor, or otherwise approved by Franchisor; provided, however, Franchisee shall be fully responsible for review, modification (if applicable), and approval by a duly licensed architect to ensure that the Licensed Store as built (and, as applicable, as modified) complies fully with all applicable laws, regulations, and guidelines, including but not limited to the Americans with Disabilities Act.

7.24 Store Remodeling. Not sooner than the fifth (5th) anniversary of the Operations Commencement Date (as defined below in Section 9.1), Franchisor may require Franchisee, at Franchisee's expense, to remodel the Licensed Store to Franchisor's then-current standards, format, design and image, pursuant to plans and specifications designated by Franchisor, and Franchisee shall complete such remodel not later than one hundred eighty (180) days after written notice from Franchisor. Franchisee acknowledges that Franchisor expects to require Franchisee to commence and complete such remodel between the fifth (5^{th}) and sixth (6^{th}) anniversary of the Operations Commencement Date. Franchisee shall not be required to undertake such remodeling more than once during the Term, except as a condition for grant of a renewal term. The remodeling required pursuant to this Section shall not limit Franchisee's obligations to maintain, refurbish and upgrade the Licensed Store and the furniture, fixtures and equipment therein.

7.25 Equipping. Franchisee shall purchase and install all fixtures, furnishing, equipment, and signs required to operate and shall operate the Licensed Store strictly according to the Manual.

7.26 Inventory. Franchisee shall purchase an opening inventory of products, other inventory, and supplies according to the requirements in the Manual.

7.27 Quality. All goods and services that Franchisee offers to the public shall satisfy high quality standards that Franchisor establishes in the Manual and elsewhere, which may be updated from time to time.

7.28 Prices. Except as provided below, Franchisee shall determine all pricing to Franchisee's customers. Franchisor may from time to time suggest prices. There is no representation that adherence to Franchisor's suggested pricing will increase or maximize revenues. Notwithstanding the above, when and where permitted by law, Franchisor may require Franchisee to adhere to reasonable minimum or maximum pricing requirements or restrictions.

7.29 Vending Machines, Phones, Video Game Equipment, Etc.. Franchisee shall not install or operate in the Licensed Store any ATM machine, public telephone, jukebox, vending machine, lottery ticket terminal, video game, or any other game or machine without Franchisor's prior written consent, which consent may be withheld or granted within Franchisor's sole discretion. Franchisee shall not make any addition to or change in the physical appearance, decor, characteristics, or style of the Licensed Store without the prior written consent of Franchisor, which consent may be withheld or granted within Franchisor's sole discretion. Franchisor shall have the right to remove any unauthorized material at Franchisee's expense.

7.30 Photography Release. Franchisee hereby consents to the periodic taking by Franchisor of photographs of himself or herself (or if Franchisee is a business organization, the Franchise Owners) and the use of such photographs by Franchisor for any purpose in connection with the System. At execution of this Agreement, Franchisee shall execute and deliver to Franchisor a Photography Release in the form attached to the Franchise Disclosure Document as an exhibit.

7.31 Franchisee's Payment Obligations; Stored Value Card Program. Franchisee shall pay promptly when due all obligations incurred directly or indirectly in connection with the franchised business, the Licensed Store, or its operation, including all taxes and assessments that may be assessed against the Licensed Store land, building, other improvements, equipment, fixtures, signs, furnishings, or other property, and all liens and encumbrances of every kind and character created or placed upon or against any of said property, and all accounts and other indebtedness of every kind and character incurred by or on behalf of Franchisee in the conduct of the franchised business.

The System utilizes a stored value card program that includes the offering, sale, acceptance and redemption of Egg N Bird stored value cards (including gift cards). In order to ensure payment to Egg N Bird operators for their redemption of Egg N Bird stored value cards, Franchisee is and shall be required to participate in the program, which includes the centralization and deposit into a central account of System revenues from the sale of Egg N Bird stored value cards at or from franchised and Franchisor's affiliate-operated Stores in the USA. The administration, distribution and accounting of the funds in the centralized account (which may be held in the name of Franchisor) is and shall be performed by Franchisor, and the first priority for use of the funds in the centralized account is payment to Store operators for their redemption of Egg N Bird stored value cards. As a component of the System, the program is subject to addition, modification and deletion in accordance with Section 7.21 and otherwise.

7.32 Taxes. Franchisee shall be solely responsible and shall pay, and Franchisor shall have no liability for, any sales, use, service, occupation, excise, gross receipts, income, property, or other tax, whether levied on Franchisee or Franchisee's assets or on Franchisor, arising from or in connection with Franchisee's sales or the business conducted by Franchisee, except for taxes that Franchisor is required by law to collect from Franchisee with regard to purchases from Franchisor and except for Franchisor's own income taxes. In the event any governmental entity would impose a tax (other than income tax) on Franchisor's receipt of royalties, then the royalty rate shall be automatically adjusted up to a new rate that would provide Franchisor with the same net royalty as prior to imposition of such tax.

7.33 Compliance with Laws. Franchisee shall operate the franchised business in compliance with all applicable laws, rules, regulations and orders of all governmental authorities with jurisdiction over Franchisee or the franchised business, including those regarding wage and hour, employment classification, employment, Americans with Disabilities Act, menu labeling, food safety and service, and public accommodations. Franchisee shall obtain and at all times maintain all necessary permits, certificates and licenses necessary to conduct the franchised business in the locality within which the Licensed Store is situated. Franchisee shall promptly notify Franchisor of any inspection or other regulatory reports or charges, litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving the franchised business, Franchisee, or any entity affiliated with Franchisee, or any Franchise Owner, which notification shall include a complete copy of the documentation received from the governmental agency or other opponent in the matter, plus any additional materials or information reasonably requested by Franchisor from time to time.

7.34 Franchisee's Independence. Franchisee acknowledges and agrees that:

A. Franchisee is the only party that employs Franchisee's employees (although Franchisor may provide Franchisee with advice, guidance, and training regarding the operation of the Licensed Store).

B. Franchisor is not the employer of any of Franchisee's employees, and Franchisor will not play any role in decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, supervision, employee relations, labor matters, review, discipline, and/or dismissal of any individual or groups of specific employees).

C. The guidance that Franchisor provides and requirements under which Franchisee will operate, including the Manuals, are intended to promote and protect the value of the System and the Marks.

D. In making the decision to begin and operate a business, Franchisee has independently chosen to acquire a franchise from Franchisor and therefore adopt and implement the System and Marks for Franchisee's business instead of developing and implementing Franchisee's own standards (or those of another party).

E. Franchisee has made (and will remain responsible at all times for) all of the organizational and decisions about establishing and forming Franchisee's business entity, operating its business (including adopting and agreeing to follow Franchisor's System as Franchisee's operating standards and methodology), and hiring employees and employment matters employment (including matters such as recruitment, hiring, compensation, scheduling, supervision, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and other facets of Franchisee's business operations.

Article 8 OBLIGATIONS OF FRANCHISOR

8.1 Site Assistance. Franchisee acknowledges and agrees that Franchisee is responsible to select, acquire (by purchase or lease), and develop the premises and the Licensed Store. Franchisee shall not commence any construction of the Licensed Store without first obtaining Franchisor's written consent to the proposed location. In determining whether to consent, Franchisor may consider any factors relevant in Franchisor's sole determination, which may include, but are not limited to size, appearance, other physical characteristics of the premises, and demographic characteristics, traffic patterns, competition from other businesses in the area, and other commercial characteristics. Franchisee acknowledges that consent by Franchisor is not any form of assurance or recommendation regarding suitability or any particular results of the location. If the premises are to be leased, Franchisee shall provide Franchisor a complete copy of the fully executed lease within five (5) business days of execution. Franchisee shall use its best efforts to cause the provisions contained in Franchisor's then-current lease rider to be included in the lease. If Franchisor and Franchisee do not agree on a location for the Licensed Store within one hundred fifty (150) days from the Effective Date, either party shall have the right to terminate this Agreement. On termination under this Section, there shall be no refunds and Franchisor shall retain the Initial Franchise Fee and all other fees paid. Franchisor may in its sole discretion, extend Franchisee's deadline to open the Licensed Store for business by written notice to Franchisee.

8.2 Layout and Interior Design Plans. Franchisee shall hire at Franchisee's expense a Franchisor- accepted, licensed architect or general contractor to conduct a site survey of the premises and to prepare as-built drawings for the job site after the lease for the Licensed Store is signed and the foundation and exterior walls have been put in place. Franchisee's architect shall also submit to Franchisor a preliminary design and layout of the Licensed Store's interior and exterior for review and approval by Franchisor. In accordance with Section above, Franchisee shall pay Franchisor a Limited Construction Project Management Services Fee in the amount of Six Thousand Dollars ($6,000) in conjunction with Franchisee's entering into with Franchisor a Limited Construction Project Management Services Agreement in the form of an exhibit attached to the Franchise Disclosure Document. This fee is fully earned by Franchisor when paid and is not refundable under any circumstances. Subject to Franchisor's approval of Franchisee's preliminary design and layout, Franchisee's architect shall produce, at Franchisee's expense, full plans for the Licensed Store, which shall be subject to Franchisor's written acceptance. Franchisor shall review and either accept or provide comments on the plans and specifications. Franchisee shall not modify any plans or specifications accepted by Franchisor without first obtaining Franchisor's written consent to the modification. Franchisee shall not start construction of the Licensed Store until final plans and specifications have been accepted in writing by Franchisor.

Franchisee shall submit to Franchisor a complete set of final plans and specifications before starting construction of the Licensed Store.

Franchisee is solely responsible to construct and develop the Licensed Store and to obtain any financing needed to do so. Franchisee shall retain only Franchisor-accepted, licensed contractors to perform construction as specified in this Article 8. Franchisee acknowledges and agrees that nothing in this Section or elsewhere in this Agreement shall be construed to obligate or make Franchisor liable to Franchisee or any third party for any failure of the Licensed Store or related premises to comply with all laws, regulations, and guidelines, including the Americans with Disabilities Act.

8.3 Limited Construction Project Management Support. Franchisor shall provide Franchisee with limited construction project management including store build-up process assistance, interior and exterior prototype designs, equipment specifications, among other things. Franchisor shall not be responsible for any delays caused during the build-out process.

8.4 Opening Assistance. Franchisor shall provide Franchisee with on-site opening assistance of 40 hours, if this Agreement pertains to Franchisee's first Store; of 24 hours, if this Agreement pertains to Franchisee's second Store; and, 16 hours, if this Agreement pertains to Franchisee's third Store. Franchisee shall pay all costs and expenses incurred by Franchisor's staff in providing such opening assistance, including but not limited to, airfare, travel, lodging, and meal expenses.

8.5 Supplies and Supplier Information. Franchisor shall provide Franchisee information that Franchisor deems appropriate concerning sources of fixtures, furnishings, equipment, signs, inventory, and supplies for use in operating the Licensed Store.

Article 9 TERM, RENEWAL, AND TERMINATION

9.1 Initial Term. The initial term of this Agreement (the "**Term**") starts on the Effective Date and automatically expires on the Expiration Date (as stated in Item B of the Contract Data Schedule of this Agreement). The "**Operations Commencement Date**" is the earlier of (a) the 365th day immediately following the Effective Date, or (b) the date the Licensed Store first opens for business. The date that the Licensed Store first opens for business shall be confirmed by written notice from Franchisee to Franchisor within five (5) days of the date the Licensed Store first opens for business.

9.2 Renewal. Subject to Franchisee's timely fulfillment of each of the conditions set forth in Section 9.3, Franchisee shall have the right to renew this Agreement for one (1) additional term of five (5) years.

9.3 Renewal Conditions. To qualify for a renewal term as provided in Section 9.2, Franchisee shall fulfill each and all of the following conditions: (a) Franchisee shall have fully complied with this Agreement continuously throughout the Term; (b) Franchisee shall deliver written notice of Franchisee's intent to renew at least one hundred eighty (180) days but no more than three hundred sixty-five (365) days before expiration of the Term; (c) Franchisee shall be in full compliance with this Agreement at the time of requesting renewal and at the end of the Term; (d) Franchisee shall have paid the renewal fee described in Section 6.17 not later than immediately prior to the execution of the renewal franchise agreement; (e) not less than ten (10) business days prior to expiration of the Term, Franchisee shall execute Franchisor's then current form of Franchise Agreement to cover the 5-year renewal term, which may include new and different terms, new and higher fees, and other differences from this Agreement; (f) before the start of the renewal term Franchisee shall sign a general release of all known and unknown claims against Franchisor, including a waiver of rights under Section 1542 of the California Civil Code; (g) not more than twelve (12) months prior to the expiration of the Term, Franchisee shall have remodeled, redecorated, renovated, and upgraded the Licensed Store to Franchisor's then current standards for Stores; and, (h) Franchisee shall have paid and shall be current on all amounts due to Franchisor and affiliates of Franchisor and third party creditors. Failure of any of these conditions precedent shall constitute an election by Franchisee not to renew this Agreement.

9.4 Termination by Franchisee. Franchisee shall have the right to terminate this Agreement if Franchisor materially breaches this Agreement and fails to cure the breach, provided that before any such termination, Franchisee shall have delivered written notice of the breach to Franchisor stating the specified details of the breach and providing Franchisor thirty (30) days to cure or, for a breach that cannot be cured in that period, thirty (30) days to start efforts to cure and to complete the cure when practical for Franchisor.

Franchisee may only bring claims for specific violations of this Agreement, which claims have been specifically cited in Franchisee's initial notice of breach and complaint.

9.5 Franchisor's Termination Rights After Franchisee's Failure to Cure. Except as stated in Section 9.6 (where immediate termination shall be appropriate), Franchisor shall have the right to terminate this Agreement effective on Franchisee's failure to cure a breach of this Agreement or of any other agreement with Franchisor or any affiliate of Franchisor, within thirty (30) days after delivery of written notice of the breach.

9.6 Franchisor's Termination Rights Without Opportunity to Cure. Franchisor shall have the right to terminate this Agreement immediately, without permitting Franchisee any opportunity to cure, in any of the following events:

i. Franchisee fails to secure a Franchisor-accepted location and execute an appropriate lease for that location within six (6) months of the Effective Date;

ii. Franchisor reasonably determines that continued operation of the franchise by Franchisee would present an imminent danger to public health or safety;

iii. Conduct of the franchised business in a manner that in Franchisor's good faith, reasonable judgment materially and adversely affects the goodwill or reputation of the Egg N Bird® brand;

iv. Franchisee fails for a period of ten (10) days after notification of noncompliance (or such shorter time period specified in the applicable notice), to comply with any federal, state, or local law or regulation whether or not the conduct or noncompliance is later corrected;

v. Franchisee abandons the franchise by failing to operate the franchised business for two (2) or more consecutive days when Franchisee is required to operate the franchised business or such shorter time period after which it is not unreasonable for Franchisor to conclude that Franchisee does not intend to continue to operate the franchised business, unless that failure is due to fire, flood, earthquake, or other, similarly catastrophic event beyond Franchisee's control;

vi. Any purported assignment, transfer, or sublicense of this Agreement or of rights in this Agreement without the prior written consent of Franchisor;

vii. Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or an admission of Franchisee's inability to pay Franchisee's obligations as they become due, or Franchisee files a voluntary petition in bankruptcy or initiates any composition, adjustment, liquidation, dissolution, or similar relief under any law, or Franchisee admits or fails to contest the material allegations of any pleading filed against Franchisee seeking such relief, or Franchisee is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of Franchisee's assets or the Licensed Store;

viii. The franchised business or Licensed Store premises are seized, taken over, or foreclosed by a government official exercising his or her duties, or seized, taken over, or foreclosed by a creditor, lien holder, or lessor;

ix. A final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made on the franchise or franchised business and is not discharged within five (5) days; or the attachment of an involuntary lien in the amount of $1,000 or more on any of Franchisee's business assets or property, which lien is not removed promptly and in any event, within fifteen (15) days;

x. Franchisee, or any officer or director, or any person owning an interest in Franchisee, is convicted of any criminal misconduct that is relevant to the operation of the Licensed Store or reputation of the Marks or System, or of any felony;

xi. Franchisee (or if Franchisee is a business organization, any Franchise Owner) makes or is discovered to have made any material misrepresentation relating to the acquisition or operation of the franchise or the franchised business or engages or is found to have engaged in conduct which reflects materially and unfavorably on the Marks, or on the operation or reputation of the Licensed Store or the System;

xii. Franchisee commits a fraud on Franchisor by submitting false sales reports that understate Gross Sales by two percent (2%) or more for the period of the reports;

xiii. Franchisee fails to pay fees or other amounts due to Franchisor or Franchisor's affiliate or fails to maintain or to obtain all of the insurance coverage as required under Section 12.1 of this Agreement within five (5) days after receiving written notice that the amount is past due;

xiv. Franchisee, after curing any breach, default, or other failure, engages within a three hundred sixty- five (365) day period in the same or similar conduct or noncompliance or suffers a recurrence of the breach, failure, or default, whether or not the conduct, noncompliance, or recurrence is corrected after notice; or

xv. Franchisee fails on three (3) separate occasions within a six (6) month period to comply with one or more requirements of this Agreement, whether or not corrected after notice.

9.7 Obligations After Termination. Following termination of this Agreement for any reason:

i. All renewal rights under Section 9.2 or otherwise shall be deemed to be void and of no further effect;

ii. Franchisee shall immediately cease to operate the Licensed Store and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a Store or otherwise affiliated with the Marks or System;

iii. Franchisee shall immediately stop all use of the Marks, the Manual, and all elements of the System, including all recipes, formulas, methods of operation, methods of preparation, and service of egg or chicken sandwiches and beverage items, know-how, and trade secrets;

iv. As then requested by Franchisor, Franchisee shall immediately deliver to Franchisor all confidential materials, signs, sign-faces, sign-cabinets, marketing materials, forms, invoices, and other materials containing any Marks or otherwise identifying or relating to any Store, business, or operation that are in Franchisee's possession, custody or control. If Franchisee fails to deliver any such materials within seven (7) calendar days after demand by Franchisor, then Franchisor shall have the right to enter the premises of the Licensed Store to retrieve such materials as are located there;

v. Franchisee shall immediately pay all amounts due to Franchisor and its subsidiaries and affiliates. In the event of termination for any default, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which shall remain until paid in full, a lien in favor of Franchisor against any and all of the personal property, fixtures, equipment, and inventory of the Licensed Store at the time of default;

vi. Unless Franchisor instructs otherwise in writing at the time of termination, Franchisee shall immediately in writing notify all telephone companies and telephone directory publishers that Franchisee's rights under this Agreement have ended and that Franchisee intends to execute, and Franchisee shall execute, all instruments needed to assign and transfer to Franchisor, the right to use the phone numbers and to conduct the directory advertising used and conducted by Franchisee at or concerning the Licensed Store. If Franchisee fails to do so within seven (7) calendar days after demand by Franchisor, then Franchisee is deemed to have irrevocably appointed Franchisor as Franchisee's attorney in fact to execute such instruments on Franchisee's behalf;

vii. If Franchisor does not purchase the Licensed Store as provided in Section 9.9, then Franchisee shall immediately remove all signs and designs containing Marks from both the exterior and interior of the Store, change the exterior and interior appearance of the Licensed Store sufficiently in Franchisor's judgment to de-identify it as a Store and in other respects as Franchisor requests;

viii. Franchisee shall comply with Sections 10.4; and,

ix. Franchisee shall cancel any and each of its assumed name or equivalent registrations that contains the any of the Marks. Franchisee shall provide Franchisor with such evidence as Franchisor requests to verify Franchisee's compliance with this obligation within twenty (20) calendar days after termination or expiration of this Agreement.

9.8 Continuance of Business Relations. Any continuance of business relations between Franchisor and Franchisee after termination of this Agreement will NOT be construed as a renewal, extension, or continuation of this Agreement.

9.9 Franchisor's Purchase Option Following Termination or Expiration.

(a) Following termination or expiration of this Agreement other than due to Franchisor's uncured breach, Franchisor (or Franchisor's assignee, if applicable) shall have the option, exercisable by delivering written notice to Franchisee within sixty (60) calendar days from the date of the termination or expiration, to acquire from Franchisee, any or all of the Licensed Store's physical assets (including equipment, fixtures, inventory, products, materials, and supplies) as selected by Franchisor (collectively, as selected by Franchisor, the "**Assets**");

(b) Franchisor shall have the unrestricted right to assign the option in Section 9.9(a);

(c) Franchisor shall be entitled to receive from Franchisee such representations and warranties satisfactory to Franchisor concerning Franchisee's ownership of the Assets, condition of and title to the Assets, and absence of any liens and encumbrances on the Assets, except as Franchisor in good faith deems acceptable in its judgment;

(d) The purchase price for the Assets shall be fair market value of the Assets (except actual cost for useable, unopened inventory and supplies); Franchisor shall have the right to set off from the purchase price all amounts due from Franchisee to Franchisor under this Agreement as well as any other amounts due to Franchisor's affiliates; in the event Franchisor and Franchisee do not agree on the fair market value of the Assets within three (3) business days of Franchisor's written offer to Franchisee, they shall each appoint (within ten (10) business days of Franchisor's initial offer) an appraiser experienced in used foodservice equipment transactions to appraise the Assets within one week of appointment, both appraisals shall be provided to Franchisor and to Franchisee to further attempt to agree on the fair market value; if Franchisor and Franchisee are unable to agree on fair market value of the Assets within two (2) business days of such discussion, then Franchisor shall have the option of either: a) paying the average of the two appraisals and proceeding with the purchase (leaving Franchisee the option to bring a claim in arbitration for any difference between fair market value as determined by the arbitrator and what Franchisor has then paid for the Assets, which might result in the arbitrator determining that Franchisor paid more than fair market value and would be entitled to a partial refund); or b) canceling the exercise of Franchisor's purchase of the Assets;

(e) Franchisor shall pay Franchisee the purchase price (by corporate check, or offset, or a combination, as applicable) at closing of the purchase; the closing shall take place at a time and place designated by Franchisor within ninety (90) calendar days after Franchisee receives Franchisor's notice of exercise of the purchase option; at closing, Franchisee shall deliver to Franchisor an assignment (and other documentation as Franchisor deems appropriate) transferring good and marketable title to the assets selected by Franchisor, free of liens and encumbrances, with all sales and other transfer taxes paid by Franchisee;

(f) If Franchisor elects, then the parties shall comply with applicable Bulk Sales provisions of the Uniform Commercial Code in the state where the Licensed Store is located, and Franchisor shall have the right to delay the closing until such compliance is completed; and

(g) At Franchisor's election, as part of the purchase Franchisee shall deliver to Franchisor an assignment of the lease for the premises (or, if assignment is prohibited, a sublease for the full remaining term and on the same terms as Franchisee's lease); if Franchisee owns the premises, Franchisee shall lease the premises to Franchisor pursuant to the terms of a form lease reasonably designated by Franchisor, for a term selected by Franchisor up to 5 years with two successive 5-year renewal options at fair market rental during the initial and renewal terms.

9.10 Interim Management.

(a) If either (i) Franchisor exercises the option to purchase the Licensed Store's assets, then pending closing of Franchisor's purchase, or (ii) at any other time when Franchisor is concerned that continued operation by Franchisee may cause harm to the Marks or System or may endanger public health or safety, whether due to Franchisee's illness, death, or otherwise, then Franchisor shall have the right, but not the obligation, to elect to appoint a manager to maintain operation of the Licensed Store, or, at Franchisor's option, require Franchisee to close the Licensed Store without removing any assets.

(b) Franchisor's right in Section 9.9(a) does not establish any obligation to implement that right, whether as a lesser remedy to a breach or threatened breach by Franchisee or for any other reason. Franchisor may assume operation of the Licensed Store under Section 9.10(a) for ninety (90) calendar days (the "**Management Period**") upon written notice to Franchisee. Franchisee shall cooperate fully with the transition of operations management to Franchisor or Franchisor's designated representative. The Management Period may be extended by Franchisor, in its reasonable discretion, for a period of up to twelve (12) consecutive months.

(c) If Franchisor appoints a manager to manage the Licensed Store pending closing of the purchase, or for another period of time or circumstances, then all funds from operation of the Licensed Store during the period of management by the appointed manager will be paid into a separate fund (the "**Interim Management Fund**"), and all expenses of the Licensed Store, including compensation, travel and living expenses of the manager, will be charged to and paid from that fund. In addition, as compensation for the management services, Franchisor shall be paid each month from the Interim Management Fund the greater of Five Thousand Dollars ($5,000) or ten percent (10%) of Gross Sales during such month, in each case prorated for partial months.

(d) Operation of the Licensed Store during the period of management shall be on Franchisee's behalf, with Franchisor having a duty only to use Franchisor's good faith effort to manage the Store and without liability to Franchisee for debts or obligations incurred by, at or through operation of the Store or to any of Franchisee's creditors for any goods or services purchased by or for the Store during the period of management by a manager appointed by Franchisor. During this period of management, Franchisee shall cooperate with Franchisor to ensure smooth operations of the Store and shall maintain in force for the Store all insurance policies required by this Agreement.

Article 10 Protection of Intangible Property

10.1 Acknowledgment. Franchisor may disclose certain confidential information to Franchisee in the Manual, training, guidance, instruction, and other communications with and to Franchisee. Such confidential information may include site selection criteria and methodology, market development plans or strategies; store layouts, designs and specifications; equipment standards and specifications; marketing research, strategies, methods, techniques, specifications, standards, systems, procedures, sales techniques, customer solicitation and retention programs; customer data; recipes, food preparation methods; standards, specifications and procedures for ordering materials, equipment, ingredients and supplies; operating and financial results of specific Stores or groups of Stores operating under the System; and, any and all other information that is specified by Franchisor as confidential or is generally understood by business operators to be confidential. Franchisee acknowledges that the confidential information is proprietary to and includes trade secrets of Franchisor, and that Franchisee acquires no interest in the confidential information, other than the right to use the confidential information in operating the Licensed Store as provided herein.

10.2 Confidentiality. Franchisee shall keep strictly confidential Franchisor's marketing and operation plans and programs, suggested pricing, proprietary materials, and contents of the Manual, in addition to all other information and materials that Franchisor designates as "Confidential." If requested by Franchisor, Franchisee shall require Franchisee's directors, managers, officers, and employees to execute written agreements for the benefit of Franchisor in which they also agree to protect the confidentiality of all such confidential materials.

10.3 Concepts Developed by Franchisee. Franchisee shall fully and promptly disclose to Franchisor, all ideas, concepts, formulas, recipes, methods, techniques, and other possible improvements (each an "**Improvement**") relating to the development or operation of a quick service egg and chicken sandwich, snack food or drink business conceived or developed by Franchisee or Franchisee's employees during the Term. Any and all of such Improvements will automatically be deemed to be Franchisor's sole and exclusive property and works made-for-hire; provided, however, for any such Improvements that do not qualify as work made-for-hire for Franchisor, Franchisee hereby assigns ownership of that or those Improvements to Franchisor and covenants to execute whatever assignment or other documentation Franchisor requests in order to evidence such assignment and to assist Franchisor in securing intellectual property rights in the Improvement. Franchisee may not test, offer, or sell any new products without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion.

10.4 Agreement Not to Compete.

(a) The phrase "**Covered Person**" shall include (i) Franchisee and, collectively and individually all directors, officers, and holders of any direct or indirect beneficial interest of five percent (5%) or more of the securities or other equity interests of Franchisee; (ii) any corporation, limited liability company, partnership, or other form of business organization affiliated with or directly or indirectly controlling Franchisee, (iii) as to each Covered Person who is an individual, the spouse, and each relative living in the same household as each such person, and (iv) each person put in charge of the Licensed Store in the capacity of manager. To the extent that a Covered Person is a party to a valid and enforceable Non-

Competition and Non-Disclosure Agreement (a "**Non-Compete Agreement**") with Franchisor, that Non-Compete Agreement shall control over the terms of this Section 10.4.

(b) The phrase "**Competitive Business**" means (a) any store, manufacturer, seller, reseller, distributor, or similar business specializing or in any way emphasizing egg or chicken sandwiches, drinks, desserts, snacks, or similar foods located anywhere, or (b) any entity that is granting franchises or licenses to others to operate one or more stores specializing in or emphasizing egg or chicken sandwiches, drinks, desserts, snacks, or similar foods, in each case excluding a Store operated pursuant to a validly subsisting franchise agreement with Franchisor.

(c) To assist Franchisor in protecting the confidential information against intentional or inadvertent misuse, during the Term and for three (3) years after it expires without renewal or terminates, neither Franchisee nor any Covered Person shall have any interest as an owner, investor, partner, lender, director, officer, manager, employee, consultant, representative, agent, or in any other capacity in any Competitive Business within a fifteen (15) mile straight-line radius from the front door of the Licensed Store. Franchisee shall take all steps necessary to assure compliance with this provision by all Covered Persons. Any violation of this Section 10.4(c) by any Covered Person shall constitute a material breach of this Agreement by Franchisee.

(d) Franchisee and each Covered Person acknowledges that the scope of the restriction in Section 10.4(c) is narrow, and does not restrict anyone from engaging in the food service business outside of the narrow scope of Section 10.4(c) or from engaging in an entire trade or profession, and that Franchisee and each Covered Person has other considerable skills, experience, and education which afford Franchisee and each Covered Person the opportunity to derive income from other endeavors and therefore the covenants in this Section 10.4 will not impose any undue hardship on Franchisee or any Covered Person.

(e) The restrictions in this Section 10.4 shall not apply to ownership of (a) securities listed on a stock exchange or traded on the over-the-counter market that represent ten percent (10%) or less of the number of shares of the class of securities issued and outstanding or (b) other Stores operated pursuant to franchise agreements with Franchisor.

(f) Each of the covenants in this Section 10.4, and each portion of them, shall be construed as independent of any other covenant or provision. If all or any portion of a covenant is unenforceable due to its scope in terms of geography, duration, or activity covered or otherwise, but could be enforced if reduced in scope, then the parties shall be bound by any lesser covenant subsumed within the terms of the covenant imposing the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.4. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any such reduced covenant upon receipt of written notice. The provisions of this Article shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other person, whether pursuant to another agreement or pursuant to applicable law.

10.5 Certain Covenants. As and when requested by Franchisor from time to time, Franchisee shall obtain and provide to Franchisor a written agreement from that manager substantially in the form prescribed by Franchisor agreeing to be bound by the terms of this Article 10 as a Covered Person.

Article 11 TRANSFER

11.1 Assignment by Franchisor. Franchisor shall have the right to assign Franchisor's rights under this Agreement, in whole or in part, on one or more occasions, without Franchisee's consent or prior approval. Without limiting the foregoing, Franchisor may (i) assign any or all of its rights under this

Agreement to a subsidiary or affiliate; (ii) sell its assets, the Marks, or the System outright to a third party; (iii) go public; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire another entity, or be acquired by another entity; or (vi) undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. This Agreement and the Franchisor's rights, interests and obligations hereunder shall inure to the benefit of any entity that succeeds to the business of the Franchisor and assumes the obligations of the Franchisor hereunder. Any such assignment by Franchisor shall constitute a release of Franchisor from obligations arising under this Agreement after the date of such transfer, and the transferee shall be liable to Franchisee as if the transferee had been an original party to this Agreement.

11.2 Franchisee Ownership; Restrictions on Franchisee Transfer. Franchisee's rights and obligations in this Agreement are personal to Franchisee. Franchisor has entered into this Agreement with Franchisee in reliance on Franchisor's perception of each Franchise Owner's individual, or as applicable the Franchise Owners' collective, character, skill, aptitude, attitude, business ability, and financial capacity, including the relative interests and titles of the Franchise Owners and officers as set forth on **Exhibit "A"** attached hereto. Accordingly, Franchisee (which for purposes of this sentence includes the Franchise Owners) shall have no right to, and shall not attempt or purport to sell, assign, encumber, or transfer (all of which are hereinafter included within the term ''transfer''), in whole or in part, any of Franchisee's interest in this Agreement, the Licensed Store, the assets of the Licensed Store, or any ownership interest in Franchisee without first obtaining Franchisor's written consent which consent shall not be unreasonably withheld or delayed, so long as Franchisee meets all of the applicable conditions set forth below for the proposed transfer. Neither this Agreement nor any of the rights or interests conferred on Franchisee hereunder shall be retained by Franchisee as security for the payment of any obligation that may arise by reason of any such transfer. Except as expressly provided for herein, any attempt by Franchisee to transfer any of its rights or interests under this Agreement shall constitute a material breach of this Agreement and Franchisor shall have the right to terminate this Agreement upon written notice to the Franchisee. Franchisor shall not be bound by any attempted sale, assignment, transfer, conveyance or encumbrance in any manner whatsoever, by law or otherwise, of any of Franchisee's rights or interests under this Agreement.

11.3 Conditions to Transfer Consent. Among the conditions that Franchisor shall have the right to impose before granting consent to a proposed transfer by Franchisee are that (a) Franchisee or the proposed transferee pay Franchisor the transfer fee described in Section 6.13; (b) Franchisee and each Covered Person sign a general release of all known and unknown claims against Franchisor, including a waiver of rights under Section 1542 of the California Civil Code; (c) Franchisee pay all amounts owed to Franchisor, affiliates of Franchisor, and third-party creditors;(d) Franchisee provide Franchisor with a complete copy of all agreements and proposed agreements concerning the proposed transfer together with certified financial statements of the prospective transferee; (e) Franchisee and the proposed transferee make any changes to the terms of the transfer, which may include changes to the substantive terms, requirements for subordination of debt repayment, and other changes, sufficient to satisfy Franchisor with regard to financial viability of the business and the transferee after the transfer; (f) the proposed transferee provide Franchisor with a completed application and complete to Franchisor's satisfaction all Franchisor's requirements applicable to a new franchisee; (g) Franchisor is satisfied with, and the proposed transferee provides information to assist Franchisor to determine if Franchisor is satisfied with, the proposed transferee's character, business experience, aptitude, financial stability, and solvency; (h) the transferee enters into Franchisor's then current form of Franchise Agreement, which may contain fees and other terms that materially differ from the terms of this Agreement, but which shall be modified to provide for a term equal in duration to the remainder of the term under this Agreement; (i) the Franchisee or the proposed transferee shall agree to upgrade, remodel, and refurbish the Licensed Store to Franchisor's then current standards; (j) prior to the completion of the transfer, the proposed transferee shall have attended and satisfactorily completed Franchisor's initial training program and paid the then-current training fee, (k)

Franchisee and the proposed transferee obtain in writing, at Franchisee's expense, any required consent of the landlord of the premises of the Store, (l) the proposed transferee and each owner, as applicable, shall have fulfilled all other conditions and executes all other documentation (including personal guarantees) as then required by Franchisor, and (m) Franchisee or the prospective transferee pays Franchisor the Transfer Fee as provided above.

After a transfer is approved and consummated, Franchisor will provide up to 32 hours of in-store operations guidance to the transferee's manager, if the Licensed Store is the first Store operated by the transferee; up to 24 hours, if the Licensed Store is the second Store operated by the transferee; and, up to 16 hours, if the Licensed Store is the third Store operated by the transferee.

11.4 Franchisor's Right of First Refusal. Franchisor shall have an absolute, unimpaired right of first refusal itself to accept the terms of any proposed transfer of any interest in this Agreement, the assets of the Licensed Store, the franchised business licensed by this Agreement, or in Franchisee, offered by Franchisee or by any one or more Franchise Owners or offered to and proposed to be accepted by any of them, whether voluntarily, by operation of law or otherwise. If Franchisor exercises the right of first refusal, then Franchisor will also have the right but no obligation to substitute the reasonable equivalent in cash for any other form of payment proposed in the offer, and will have thirty (30) calendar days after notifying Franchisee of Franchisor's election to exercise the right of first refusal to prepare for closing. Franchisor shall also have the unfettered right to assign this right of first refusal to any of its affiliates or any other third party, as Franchisor elects. If a proposed transfer or series of transfers covering less than twenty-five (25) months, would either: a) involve more than fifteen percent (15%) of the outstanding stock or other ownership interest (whether direct or indirect) of Franchisee, or b) would effect a change in control of Franchisee, as defined below, then Franchisor will also have the right but no obligation to purchase not only the interest involved but also all the remaining interests, to acquire up to 100% of the outstanding interests in Franchisee, at a price proportionate to the price of the interests initially involved. For purposes of this Agreement, "change in control" shall mean any modification by transfer or otherwise the result of which is that either: a) the voting ownership interests of any Franchise Owner is reduced from greater than fifty percent (50%) to fifty percent (50%) or less, or b) the voting ownership interests in aggregate of all pre-modification or pre-transfer (whichever is applicable) owners of Franchisee is reduced from one hundred percent (100%) of voting ownership interests to less than seventy-five (75%) of all outstanding voting ownership interests in Franchisee. If Franchisor exercises the right of first refusal, then at Franchisor's request, Franchisee shall also take all action necessary to cause the lease for the location and any other agreements designated by Franchisor, to be assigned to Franchisor. Nothing contained in this Section 11.4, Section 11.5, Section 11.6, or elsewhere shall in any way be deemed to impair Franchisor's discretion in considering, approving or disapproving any request to transfer any interest under this Agreement.

11.5 Exercise of First Refusal. To provide Franchisor the opportunity to exercise the right of first refusal, Franchisee shall deliver to Franchisor: a) a written notice stating all the material terms of the proposed transfer covered by the right of first refusal, b) complete and accurate copies of the purchase and sale agreement and every other agreement pertaining to the proposed transfer, and c) any additional information that Franchisor requests regarding the proposed transferee and the proposed transfer. All documentation described in the immediately preceding sentence is referred to as the "Transfer Documentation." Franchisee shall require its owners to provide Franchisee sufficient information to enable Franchisee to comply with this obligation with regard to a transaction proposed by any of the owners of Franchisee. Within fifteen (15) business days after Franchisor receives the notice and the last item of documentation to make the Transfer Documentation provided to Franchisor complete, Franchisor will notify Franchisee whether Franchisor exercises or waives its right of first refusal.

11.6 Non-Exercise of First Refusal. If Franchisor does not exercise the right of first refusal, Franchisor shall proceed to determine whether to consent or deny consent to the proposed transfer to the proposed transferee. Franchisor will notify Franchisee of Franchisor's decision, including the conditions of any consent, within a reasonable time after Franchisee and the proposed transferee have provided to Franchisor all of the information, documentation, interviews, and other items requested by Franchisor in its review of the proposed transfer and transferee. If the proposed transfer is not completed within 180 days after delivery of the offer to Franchisor, or if there is any material change in the terms of the transfer, then Franchisee shall again provide Franchisor notice of the purchase right provided for in Sections 11.4 and 11.5 and Franchisor's right of first refusal shall be reinstated. Franchisee shall provide to Franchisor a copy of the final purchase agreement covering the transfer, each amendment thereof (in each case within five business days of its execution), and the transfer's closing statement within five business days of consummation of the transfer.

11.7 Death or Disability. If Franchisee, or any owner of a Franchisee that is a business organization, dies or becomes permanently disabled, then the legal representative of the estate or conservator or equivalent for Franchisee or of the deceased or disabled principal owner shall have the right, during the one hundred eighty (180) days immediately following such death or disability, to: a) demonstrate to Franchisor that person's capability to satisfactorily continue to operate the franchise, or b) transfer the franchise or the deceased or disabled person's interest in the franchise or in Franchisee, to a transferee acceptable to Franchisor. This transfer shall be subject to Franchisor's right of first refusal under Sections 11.4 and 11.5, and to Franchisor's right to consent or deny consent under this Article 11. Failure to demonstrate ability to qualify as a franchisee or to dispose of the interest within the specified time shall constitute a breach of this Agreement. For this Agreement, a "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or a Franchise Owner from supervising the operation of the Licensed Store for a period of six (6) or more months from the start of the disability, impairment, or condition.

11.8 Effect of Consent to Transfer. Franchisor's consent to a transfer shall not constitute a waiver of any claims Franchisor may have against Franchisee or the particular transferor, nor a waiver of Franchisor's right to demand full compliance by the transferee with the terms of this Agreement.

11.9 Franchisee as Business Organization. If Franchisee desires to conduct business through a corporation or other business organization, the Franchisor will consent to the assignment of this Agreement to a corporation or other entity accepted by Franchisor, provided that Franchisee complies with the provisions hereinafter specified and any other condition which Franchisor may require, including restrictions on the number, identity, and legal status of the owners of the assignee entity. Such assignee entity shall be closely held and shall not engage in any business activity other than that directly related to the operation of Stores.

If Franchisee's rights are assigned to a business organization, the individual Franchisee named herein or otherwise expressly designated in writing by Franchisor shall at all times be the legal and beneficial owner of at least 51% of the equity interests of the assignee entity, and shall act as such entities principal officer; provided, however, subject to the express prior written consent of Franchisor, such equity interests may be held in trust by a trustee under a trust indenture, with each trustee and beneficiary of such trust personally guaranteeing all of the obligations of Franchisee hereunder. Any issuance or transfer of equity in such entity shall be treated for the purposes of this Agreement as a transfer of Franchisee's rights under this Agreement requiring Franchisor's consent as provided herein. Franchisee must prior to any issuance or transfer of any equity interests of Franchisee furnish Franchisor with a written notice containing the details of such proposed issuance or transfer in advance thereof. The Articles of Incorporation, By-Laws, operating agreement or similar governing documents of the assignee entity shall reflect that the issuance and transfer of securities are restricted, and all certificated securities shall bear substantially the following legend, which shall be printed legibly and conspicuously on the face of each certificate:

> ''The transfer of these securities is subject to the terms and conditions of a franchise agreement with Egg N Bird Franchising, Inc. Reference is made to said franchise agreement and to restrictive provisions of the charter and by-laws of this entity.''

Franchisee acknowledges that the purpose of the aforesaid restriction is to protect Franchisor's trademarks, service marks, trade secrets and operating procedures as well as Franchisor's general, high reputation and image, and is for the mutual benefit of Franchisor, Franchisee and other franchisees of Franchisor.

In no event shall any stock, membership interest or other equity security or interest in Franchisee be sold, transferred or assigned to a business competitor of Franchisor.

11.10 Designated Successor Agent. Franchisee shall at all times throughout the term of this Agreement have on file with Franchisor the name of a designated successor agent, accepted by Franchisor, and authorized by Franchisee to make, subject to and immediately upon the death or legal incapacity of Franchisee (or if Franchisee is not an individual, its designated agent), all operating decisions with respect to the Licensed Store (including but not limited to hiring and severance of employment, voting a cooperative, purchasing, maintenance, etc.). Not less often than once each calendar year, Franchisee shall confirm or change in writing such designated successor agent.

Article 12 INSURANCE AND INDEMNIFICATION

12.1 Insurance.

A. Franchisee shall procure before commencement of hiring of Licensed Store employees and shall maintain in effect thereafter throughout the Term insurance of the types (including property, workers' compensation, and various special liability coverages), in the amounts, and with the coverages the Operations Manual specifies from time to time. Until the Operations Manual specifies otherwise, Franchisee will carry at its sole cost and expense: (1) broad form comprehensive general liability coverage (which shall include products liability coverage), and broad form contractual liability and advertising injury coverage of at least Two Million Dollars ($2,000,000) aggregate and with any deductible or self-insured retention of no more than Ten Thousand Dollars ($10,000); (2) worker's compensation for Franchisee's employees per statutory requirements; (3) unemployment insurance covering Franchisee's employees per statutory requirements; (4) employer's liability insurance coverage of at least Two Million Dollars ($2,000,000) per occurrence; (5) fire and extended coverage insurance on the Licensed Store and Franchisee's property adequate to replace it in the event of an insured loss; (6) not less than six months' business interruption insurance in sufficient amounts to cover rental of the Licensed Store location, previous profit margins, payment of all continuing fees to Franchisor, maintenance of competent personnel and other fixed expenses; (7) state disability insurance for Franchisee's employees per statutory requirements; and (8) any other insurance required by law. For purposes of this Section 12.A, "Franchisee's employees" shall include all individuals involved in the operation of the Licensed Store whether or not expressly employed by Franchisee.

B. Coverage Details. The coverages in Section 12.1A shall (a) be in forms and amounts and with companies satisfactory to Franchisor but not less than the amounts stated; (b) include coverage for Franchisor and Franchisor's principals as additional insureds and provide that coverage applies separately to each additional insured against whom a claim is brought as if a separate policy had been issued to each additional insured; (c) by primary with respect to insurance maintained by Franchisor and shall not be limited in any way by reason of any insurance maintained by Franchisor; (d) provide indemnity for all obligations assumed by Franchisee in this Agreement and all other matters for which Franchisee is required to indemnify Franchisor under this Agreement; and (e) provide that Franchisor is entitled to receive at least thirty (30) days prior written notice of any intent to reduce coverage or policy limits, cancel, or otherwise amend the policy. Maintenance of such insurance and performance by Franchisee of its obligations under this Section shall not relieve Franchisee of any liability under the indemnity provisions of this Agreement or limit such liability.

C. Revisions. Franchisor shall have the right from time to time to revise minimum coverages, coverage amounts, and covered risks that Franchisee is required to obtain and maintain. Promptly after delivery of written notice to Franchisee of such revisions, Franchisee shall obtain and thereafter maintain insurance conforming to the revised requirements.

D. Proof. Franchisee shall promptly provide Franchisor with certificates of insurance evidencing the coverage required by this Agreement no later than ten (10) calendar days before the Licensed Store starts operating. Franchisee shall deliver to Franchisor a complete copy of Franchisee's then current policies of insurance within five (5) days after delivery of the certificates of insurance to Franchisee. Immediately on renewal or the purchase of replacement insurance Franchisee shall deliver to Franchisor a certificate of insurance for the new or renewal policy. Franchisor shall have the right at any time to require Franchisee to provide Franchisor full copies of any or all Franchisee's insurance policies and certificates of insurance.

E. Failure to Maintain Insurance. If Franchisee fails to purchase and maintain insurance required by Sections 12.1A through 12.1D. above, then Franchisor shall have the right, but no obligation, to obtain the insurance through agents and insurers Franchisor chooses, or such other insurance as Franchisor is able to obtain for such purpose. Franchisee shall, at Franchisor's election, immediately upon notice from Franchisor pay all premiums for such insurance or reimburse Franchisor for all premium payments made by Franchisor.

F. Disclaimer. Franchisor shall have no obligation to obtain or maintain any insurance for or on behalf of Franchisee. Nothing in this Agreement is an undertaking or representation that the insurance Franchisee is required to obtain and maintain will be a sufficient amount or scope of insurance for any purpose.

12.2 Indemnity. To the fullest extent permitted by law, Franchisee shall defend, indemnify and hold harmless Franchisor and Franchisor's affiliated entities, and their respective members, shareholders, managers, partners, directors, officers, employees, agents, representatives, and other personnel (the "**Indemnified Parties**") from and against all claims, losses, liabilities, demands, actions, damages, and expenses including attorneys' fees incurred in connection with or arising from or relating to (a) any breach of this Agreement by Franchisee, (b) any damages or injury to any customer, employee, or other person allegedly or actually suffered or incurred on or about the Licensed Store at any time; (c) product liability claims; (d) defective preparation by Franchisee of food or other products; (e) any acts or omissions by Franchisee or any of Franchisee's owners, directors, officers, employees, agents, or contractors; or (f) other activities or omissions of or relating to Franchisee's business, the premises of the Licensed Store, or Franchisee's performance of this Agreement. Franchisee's obligations in this Section 12.2 shall include actual, consequential, and incidental damages, and costs incurred in defense of any claim against any of the Indemnified Parties (including reasonable attorneys' fees and other, reasonable expenses of defending the Indemnified Parties).

In the event of any claim, legal action, or potential claim or legal action, against or naming as a defendant any of the Indemnified Parties, Franchisee shall notify Franchisor immediately (and in no event later than three [3] business days after Franchisee's becoming aware of such actual or potential claim or legal action), and Franchisee shall forward to Franchisor with such notice copies of all documentation (including correspondence and pleadings) relating to such claim or legal action. Franchisee's obligations under this Article 12 shall in no way be limited by any insurance coverage available to or maintained by any of the Indemnified Parties. Franchisor shall have the right to defend any such claim against Franchisor at Franchisee's expense. Franchisee's obligations in this Section 12.2 shall continue in full force and effect regardless of termination or expiration of this Agreement.

Article 13 RELATIONSHIP

13.1 Independent Contractors; Relationship of Parties. The parties intend to and shall be arms' length, independent contractors. Nothing in this Agreement is intended to establish any principal-agency, parent- subsidiary, joint venture, fiduciary, partnership, employer-employee, or other relationship, except where this Agreement expressly authorizes Franchisor to act as attorney-in-fact for Franchisee in specified circumstances. The parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Franchisee is the employer, employee, agent, partner, fiduciary, or joint venturer of or with the other, each being independent of the other. Franchisee shall not hold itself out as the agent, employee, partner, or joint venturer of Franchisor, or the owner of the Marks. All employees or agents hired or engaged by or working for Franchisee will be the employees or agents of Franchisee only and will not for any purpose be deemed employees or agents of Franchisor, or the owner of the Marks, or subject to Franchisor's control. In particular, Franchisor shall have no authority to exercise control over the hiring or termination of such employees, independent contractors, or others who work for Franchisee, their compensation, working hours, or conditions, or the day-to-day activities of such persons, except to the extent necessary to protect the Marks. Each of Franchisee and Franchisor shall file its own tax, regulatory, and payroll reports with respect to its respective enterprise, operations, employees, or agents.

13.2 Principal Operator.Unless Franchisee is comprised of only one individual, Franchisee shall appoint one of the Franchise Owners with not less than twenty-five percent (25%) of the outstanding voting equity of Franchisee as the Principal Operator of the franchised business with full authority to manage and direct all operational, marketing, and staffing decisions and on all matters between Franchisee and Franchisor, the effectiveness of which appointment shall be subject to prior written acceptance by Franchisor of such Franchise Owner as Principal Operator. The authority of the Principal Operator shall remain unchanged until a successor Principal Operator is accepted by Franchisor, which acceptance shall not be unreasonably withheld.

Article 14 NOTICE

(a) All notices which the parties may be required or may desire to give under or in connection with this Agreement must be in writing and must be personally delivered, or sent either by certified mail, return receipt requested, postage prepaid, or reliable overnight delivery service, to the addresses identified in Item H of the Contract Data Schedule.

(b) The addresses herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices will be deemed effective at the earlier of actual delivery or when first tendered at the appropriate address during normal business hours for the locale of the addressee.

(c) Notwithstanding the above, Franchisor may elect to utilize email or similar communications to Franchisee for the purpose of communicating System modifications, operations, marketing and other bulletins, menu changes, product or equipment safety or recall alerts, or any other message Franchisor determines, and Franchisee hereby acknowledges that such communications will constitute actionable communication under this Agreement and shall ensure that Franchisee's communications system includes the capability, and is set or programmed, to receive such communications from Franchisor on a continual basis throughout the Term. Franchisee must never opt out or refuse to accept any of such Franchisor communications at any time during the Term.

Article 15 CHOICE OF LAW, JURISDICTION, VENUE, AND DISPUTE RESOLUTION

15.1 Applicable Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.), the Federal Arbitration Act (as provided above), or other federal law, the law of the State of Texas (without regard to principles of conflicts of law) shall govern all arbitration proceedings, lawsuits and other court proceedings arising out of this Agreement, breach, enforceability or validity, each a "Covered Matter"; provided, however, if the laws of the state where the Licensed Store is or is to be located require terms other than those or in addition to those in this Agreement or prohibit any terms in this Agreement, then this Agreement shall be deemed modified to comply with the applicable state laws, but only to the extent needed to prevent invalidity or illegality of this Agreement; provided further, no state law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between Franchisor and Franchisee will apply unless its jurisdictional requirements are met independently without reference to this Section 15.1. To the extent permitted by applicable law, Franchisee waives any provision of law that would otherwise render any provision of this Agreement prohibited or unenforceable in any respect.

15.2 Mediation. Except as expressly provided below to the contrary, in the event of any dispute between Franchisor and any other party hereto (including the Franchise Owners) arising out of or otherwise related to this Agreement, its alleged breach, enforceability, or validity (each a "**Dispute**") that is not resolved through direct negotiations within a reasonable time, each party shall next attempt to resolve such Dispute through mediation before a mediator (i) appointed by the International Institute for Conflict Prevention and Resolution ("**CPR**") and approved by the mediating parties in accordance with CPR's Mediation Guidelines, or (ii) a different mediator that all of the disputing parties agree to not later than fifteen (15) days after a party first gives notice of the Dispute and intent to mediate. Mediation will be conducted in Dallas County, Texas, and will be conducted and completed within forty-five (45) days following the date either party first gives notice of mediation. The fees, charges, and reimbursements of the mediator shall be shared equally by the disputing parties.

15.3 Arbitration.

(a) Except as expressly provided below, any Dispute between (i) Franchisor, and (ii) Franchisee or any Franchise Owner(s), arising out of or relating to the relationship of Franchisor and Franchisee, or to this Agreement or to any other agreement between Franchisor and Franchisee or any Franchise Owner(s), or to the actual or alleged breach, arbitrability, scope, enforceability, or validity of this Agreement or of any of such other agreements, or of any provision of any of them (including the scope, enforceability, and validity of this Section 15.3) that is not resolved through direct negotiations or mediation will be resolved through binding arbitration, which may be commenced by either party before CPR, JAMS or ADR Services as the arbitration service, utilizing the chosen service's arbitration commencement procedures. The arbitration shall be conducted by and before a neutral, former judge chosen by agreement of the parties or, if not agreed within ten (10) business days of commencement of the arbitration, then in accordance with the neutral selection process of the chosen service. For purposes of avoiding any ambiguity, the issue of whether or not a particular dispute is to be resolved by a court or an arbitrator shall be determined by an arbitrator pursuant to this Section 15.3.

The arbitration shall be so scheduled by the arbitrator that the last hearing date of the evidentiary proceedings shall occur no later than the 275th day after the date the arbitration proceeding is commenced, and each party shall be responsible to ensure that all of its representatives, witnesses and counsel are available for not less than three full weeks (in each case, Monday through Friday) during the five full weeks immediately preceding such 275th day. The fees, charges, and reimbursements of the arbitrator and arbitration proceeding shall be shared equally by the disputing parties. No arbitration of any dispute involving this Agreement or the franchise relationship among the parties hereto may be commenced except in accordance with this Section 15.3.

(b) All hearings and other proceedings will take place in Dallas County, Texas, or other county where Franchisor's headquarters is then located. Discovery will be governed by the Texas Code of Civil Procedure or as the parties agree otherwise. The arbitrator's decision shall be in writing and shall set forth the arbitrator's finding of facts and legal analysis. Except as provided below, the arbitrator's decision will be final and binding on the parties, and judgment thereon may be entered in any federal or state court having jurisdiction. Aside from any other bases for overturning an arbitrator's decision under then current, applicable law, the arbitrator's finding of facts shall not be subject to appeal, while the arbitrator's legal analysis shall be appealable and subject to being overturned on the basis of materially incorrect legal analysis and result.

[Franchisor's Initials: ____] [Franchisee's Initials: ____]

[Franchise Owners' Initials: ____ ____ ____ ____]

15.4 Injunctive Relief and Intellectual Property. Notwithstanding Sections 15.2 and 15.3 above, each party shall have the right to seek relief from a court of competent jurisdiction with respect to issues: a) requiring temporary or permanent injunctive relief, or b) involving ownership or alleged infringement of any of Franchisor's Marks or other Intellectual Property. Franchisee acknowledges that it is one of a number of franchisees using the Marks and that failure on its part to comply fully with any of the terms of this Agreement pertaining to the Marks, or other Intellectual Property, or any aspect (including quality, cleanliness, source of ingredients, etc.) of the public image of the System or Chain could cause irreparable damage to other franchisees, the Marks, the System, or the Franchisor, and that to prevent such damage Franchisor shall be entitled to injunctive relief without any requirement that a bond be posted as a condition to such relief.

15.5 Jurisdiction, Venue, Waiver of Jury. With respect to any court proceeding between Franchisee and Franchisor concerning the enforcement, construction, alleged breach, or termination of this Agreement, Franchisee hereby submits to the personal jurisdiction and venue of the federal and state courts located in Dallas County, Texas, for all such matters, and promises not to commence against Franchisor any court proceeding concerning such matters in any other court. FRANCHISOR AND FRANCHISEE AND EACH FRANCHISE OWNER HEREBY IRREVOCABLY WAIVE TRIAL BY JURY FOR ANY AND ALL OF SUCH PROCEEDINGS AND COUNTERCLAIMS. This Section 15.5 is subject to and shall not be construed to supersede or control Section 15.2 or Section 15.3 above.

15.6 No Class Actions or Consolidated Proceedings. Any and all arbitration proceedings, lawsuits and other court proceedings arising out of any Covered Matter shall be conducted on an individual, not a class-wide, basis; only Franchisor (and its affiliates and Franchisor's and their respective owners, officers, directors, managers, agents and employees, as applicable, all collectively including Franchisor, "**Franchisor Persons**") and Franchisee (and Franchisee's affiliates and Franchisee's and their respective owners, officers, directors, managers, agents and employees, as applicable, all collectively including Franchisee, "Franchisee Persons") may be the parties to any such lawsuit or other court proceeding; and, no such lawsuit or other proceeding shall be consolidated with any other lawsuit or other proceeding involving any of Franchisor Persons or any of Franchisee Persons.

15.7 Limitation of Remedies; Cumulative Remedies. Except as expressly provided below in this Section 15.7 and Section 15.8, neither party to this Agreement shall be entitled to recover punitive, exemplary or consequential damages from any other party to this Agreement. Except as provided in the immediately preceding sentence, all rights and remedies of Franchisor shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of Franchisor shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement shall not discharge or release Franchisee from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement

15.8 Liquidated Damages. If this Agreement is terminated as a result of repudiation, anticipatory breach, default, or other action or omission by Franchisee without material breach hereof by Franchisor, Franchisee shall pay to Franchisor in lump sum as liquidated damages in lieu of Franchisor's lost profits (and in addition to any other remedy or right Franchisor may have for other categories of damages or other relief) the amount of a) ten percent (10%) times the Franchisee's Gross Sales for the last twelve consecutive months of the Licensed Store's full time operation prior to termination of this Agreement, or b) $100,000.00, whichever is greater. After careful consideration, the parties hereby acknowledge and agree that the precise amount of Franchisor's actual lost profits in such event would be extremely difficult to ascertain and that the foregoing sum represents a reasonable estimate of such actual damages, based in part upon the approximate time and expense it would take Franchisor to open another retail outlet in the same vicinity operated under the Marks. Such liquidated damages shall not apply if either Franchisor or another, authorized franchisee of the System commences operation of a retail outlet operated under the Marks in the same vicinity within sixty (60) days of termination of this Agreement.

[Franchisor's Initials: ____]   [Franchisee's Initials: ____]

[Franchise Owners' Initials: ____ ____ ____ ____]

15.9 Limitations of Actions. Franchisor and Franchisee shall be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement whichever period expires first. In any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. No claim or cause of action arising out of this Agreement, its negotiations, or any aspect of the relationship or dealings between Franchisor and Franchisee (or any of their owners or affiliates) shall be submitted to arbitration or filed as a lawsuit or other proceeding more than two years after its occurrence or one year after its discovery by the injured party, whichever is earlier. Any claim not submitted or filed by the date required is forever barred.

15.10 Survival. The terms of this Article 15 shall survive termination, expiration, or cancellation of this Agreement.

Article 16 MISCELLANEOUS

16.1 PERSONAL GUARANTIES. In conjunction with Franchisee's execution of this Agreement, each and every Franchise Owner shall provide a personal guaranty of Franchisee's full and timely performance of all of Franchisee's obligations under this Agreement. Each such guaranty shall be substantially in the form attached as an exhibit to the Franchise Disclosure Document or otherwise acceptable to Franchisor.

16.2 Disclosure. In all dealings with third parties including customers, employees, suppliers, and others, Franchisee shall disclose, in the manner that Franchisor specifies from time to time, that Franchisee is an entity independent from Franchisor.

16.3 No Binding Other Party. A party to this Agreement shall have no authority to create or assume any obligation, express or implied, or to act or purport to act as agent or representative of the other party for any purpose, except for any express authorization in this Agreement for Franchisor to act for and on behalf of Franchisee in specified circumstances.

16.4 Offset. Franchisor shall have the right to retain any monies coming into Franchisor's possession of or relating to Franchisee or on Franchisee's behalf, to offset amounts owed by Franchisee to Franchisor.

16.5 Failure to Enforce. Failure of a party to enforce any provision of this Agreement shall not constitute a waiver of the right subsequently to enforce the provision or to enforce other provisions of this Agreement.

16.6 Waiver. The waiver by Franchisor of any breach or default, or series of breaches or defaults, of any term, covenant or condition herein or of any same or similar term, covenant or condition in any other agreement between Franchisor and any franchisee or licensee, shall not be deemed a waiver of any subsequent or continuing breach or default of the same or any other term, covenant or condition contained in this Agreement, or in any other agreement between Franchisor and any franchisee or licensee.

16.7 Modification. Except as provided in Section 16.23 below ("Severability"), this Agreement cannot be modified or changed other than by written instrument signed by Franchisor and Franchisee.

16.8 System Modification. As provided above, Franchisor shall have the right to modify the Manual and elements or all of the System as Franchisor deems appropriate from time to time. Each of these modifications shall be deemed to occur in the performance of and pursuant to this Agreement and will not constitute solicitations to modify, or modifications of, this Agreement.

16.9 Further Actions. Franchisee shall execute such other documents and perform such further acts as Franchisor deems to be needed or desirable to carry out the purposes of this Agreement.

16.10 Successors and Assigns. Subject to the terms and provisions of Article 11 above, this Agreement will be binding upon and inure to the benefit of the successors and assigns of Franchisor and will be binding upon and inure to the benefit of Franchisee and its or their respective heirs, executors, administrators, successors and assigns.

16.11 Force Majeure. Neither party will be liable for failure or temporary delay in performance of this Agreement, other than payment of money due to Franchisor, for the length of time such performance is prevented by acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided. In the event performance is so delayed by more than six (6) months, then either party may terminate this Agreement effective upon ninety (90) days' notice to the other party, unless full performance by the excused party is commenced during such notice period and thereafter continues. No such delay shall extend the Term. In the event of the occurrence of an event which Franchisee claims to constitute force majeure, Franchise shall provide written notice to Company within 5 days following commencement of the alleged event of force majeure which notice shall include the words "force majeure" and explicitly describe the specific nature and extent of the force majeure, and how it has impacted Franchisee's performance hereunder.

16.12 Business Judgment. The parties hereto recognize, and any mediator or arbitrator is affirmatively advised, that certain provisions of this Agreement describe or imply Franchisor's right to take (or refrain from taking) certain actions (including modification of specifications and procedures, selection of marketing plans, addition of new products, deletion of products, changes to any and all System standards, the granting or denying of Franchisor's approval or consent, etc.) in the exercise of Franchisor's business judgment. Where such business judgment has been exercised in good faith, no mediator or arbitrator may substitute his or her own business judgment for that exercised by Franchisor.

16.13 Lease of Land and Building. In the event that the parties have executed a lease of land or building relating to the premises described in Section 1.2 above (the "**Lease"**), such Lease is hereby incorporated into this Agreement by reference, and any failure on the part of Franchisee (lessee therein) to perform, fulfill or observe any of the covenants, conditions or agreements contained therein shall constitute a material breach of this Agreement. It is expressly understood, acknowledged and agreed by Franchisee that any termination of the Lease resulting in Franchisee's loss of possession of the premises of the Licensed Store shall, at Franchisor's option, result in immediate termination of this Agreement without further notice, and automatically trigger Franchisor's option rights under Section 9.9 above to assume Franchisee's position as lessee under the Lease.

16.14 Cost of Living Index. Each amount payable under this Agreement that is denoted in dollars (e.g. $100.00 late charge under Section 6.10) shall be adjusted automatically (applicable to such payments due thereafter until the next adjustment) on the first and every subsequent anniversary date of this Agreement by the increase, if any, in the Consumer Price Index for the Los Angeles area from the date of this Agreement to such anniversary date.

16.15 No Third Party Beneficiaries. This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity will be entitled to any rights hereunder whether claiming third party beneficiary rights or otherwise.

16.16 Joint and Several Liability. If Franchisee consists of, or is owned by, more than one person or entity, or a combination thereof, the obligations and liabilities to Franchisor of each such person or entity are joint and several.

16.17 Survival of Covenants. The covenants contained in this Agreement that by their terms contemplate performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding the expiration or termination of this Agreement for any reason whatsoever.

16.18 Exhibits. Each Exhibit expressly referred to in the body of this Agreement is hereby incorporated in its entirety into this Agreement

16.19 Construction. Headings, table of contents, gender, and language usages in this Agreement are for convenience only and shall not be used to construe the terms of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders; the singular shall include the plural, and vice versa.

16.20 Time. Time is of the essence of this Agreement.

16.21 Include. Each and every use and version of the word "include" in this Agreement shall be construed as without limitation (unless expressly modified by the word "only").

16.22 Hereby. Except where expressly or by context clearly indicated otherwise, the use in this Agreement of verbs such as "acknowledges" or "agrees" (regardless of number or tense) shall be understood to include by implication the word "hereby."

16.23 Severability. If any provision of this Agreement is invalid, prohibited, or unenforceable under applicable law, the provision will be deemed amended to conform to the applicable law while maintaining to the maximum extent possible the original intent of the provision.

16.24 Multiple Originals. This Agreement may be executed in multiple originals, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument.

16.25 Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements oral or otherwise will be deemed to exist or to bind any of the parties hereto, and any and all prior negotiations, commitments, undertakings, representations, agreements, and understandings are merged into and superseded hereby. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement or the Franchise Disclosure Document. Franchisee hereby represents and warrants that Franchisee has executed this Agreement without reliance upon any such unauthorized representation or promise of Franchisor or any representative of Franchisor. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations contained in the Franchise Disclosure Document provided by Franchisor to Franchise Owners.

Article 17 ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

17.1 Franchisee's and Franchise Owners' Representations and Warranties. Franchisee and each and all of the Owners represent and warrant that the following statements are true and accurate:

(a) Each of the individuals executing this Agreement on behalf of Franchisee received Franchisor's Franchise Disclosure Document (together with all exhibits to the Franchise Disclosure Document) at least 14 days before executing this Agreement;

[Franchisee's Initials: ____ , and Owners' Initials: ____ ____ ____ ____]

(b) None of the Franchise Owners or Franchisee seeks to obtain the franchise granted herein for speculative purposes, and none has any present intention to sell or transfer or attempt to sell or transfer the franchised business or the franchise granted herein;

[Franchisee's Initials: ____ , and Owners' Initials: ____ ____ ____ ____]

(c) If Franchisee is a Business Organization, Franchisee is duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Licensed Store is located;

[Franchisee's Initials: ____ , and Owners' Initials: ____ ____ ____ ____]

(d) The execution of this Agreement by Franchisee and the Franchise Owners will not constitute or violate any other agreement or commitment to which Franchisee or any Franchise Owner is a party;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(e) Each individual executing this Agreement on behalf of Franchisee is duly authorized to do so, and this Agreement constitutes a valid and binding obligation of Franchisee and each Franchise Owner;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(f) Franchisee and each of the Franchise Owners have entered into this Agreement in reliance on information in this Agreement, the Franchise Disclosure Document, their own investigations and nothing else whatsoever;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(g) In entering into this Agreement, none of Franchisee or any of the Franchise Owners has relied on any promise, representation, statement, or undertaking made by Franchisor or any Franchisor representative that is not included in this Agreement, or in the Franchise Disclosure Document;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(h) In entering into this Agreement, none of Franchisee or any of the Franchise Owners has relied on any promise, representation, statement, or undertaking made by Franchisor or any Franchisor representative that is in conflict with, or modifies, or supersedes any statement or representation in this Agreement or the Franchise Disclosure Document;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(i) Neither Franchisee nor any of the Franchise Owners has received or relied on any data, representation, projection, forecast, estimate, warranty, assurance, or other communication, expressed or implied, as to actual or potential sales volume, profit, or success of the Licensed Store;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(j) Franchisee and each Franchise Owner understand and acknowledge the value to the System of uniform and ethical standards of quality, consistency, appearance, and service described in and required by the Manual and the necessity of operating the franchised business under the standards set forth in the Manual; and, Franchisee has the capabilities, professionally, financially and otherwise, to comply with those standards;

[Franchisee’s Initials: ____ , and Owners’ Initials: ____ ____ ____ ____]

(k) Franchisee and each of the Franchise Owners have carefully read this Agreement and all other related documents to be executed by them concurrently or in conjunction with the execution hereof, each has obtained, or had the opportunity to obtain, the advice of legal, financial, and business advisors in connection with the execution and delivery of this Agreement, each understands the nature of this Agreement and the considerable effort to be expended on the part of Franchisee and Principal Operator in order to satisfactorily perform their respective obligations hereunder, and each of Franchisee and the Franchise Owners intends to comply herewith and be bound thereby; and

[Franchisee's Initials: ____ , and Owners' Initials: ____ ____ ____ ____]

(l) Franchisee and each of the Franchise Owners acknowledge and fully appreciate that the business contemplated by this Agreement involves significant risks and that any particular results depend largely on Franchisee's business abilities and efforts as well as external economic forces outside Franchisor's control; and, Franchisee and each of the Franchise Owners acknowledge and fully appreciate that neither Franchisor nor any other person can assure any particular results.

[Franchisee's Initials: ____ , and Owners' Initials: ____ ____ ____ ____]

17.2 Additional Information Respecting Franchisee and Franchise Owners. Incorporated herein by this reference is all of the additional information provided by Franchisee or the Franchise Owners to Franchisor as part of the application process pertinent to the grant of franchise evidenced by this Agreement. Franchisee and each of the Franchise Owners acknowledge that Franchisor has relied on each item of such information in granting this franchise.

Article 18 ANTI-TERRORISM LAW

18.1 Anti-Terrorism Laws. Franchisee and the Franchise Owners certify that none of Franchisee, Franchise Owners, employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. Franchisee promises not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, Franchise Owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee and Franchise Owners promise to comply with and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and Franchise Owners certify, represent, and warrant that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws, and that Franchisee and Franchise Owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in this Agreement pertain to Franchisee's obligations under this Section. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchise Owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's Affiliates. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations) the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

[The next page is the signature page of this Agreement.]

[This is the signature page of the Franchise Agreement.]

IN WITNESS WHEREOF, the parties through their duly authorized signatories have caused this Agreement to be executed as of the Effective Date and accepted by Franchisor in Carrollton, Texas.

FRANCHISOR: EGG N BIRD FRANCHISING, INC., a Texas Corporation

By:
Name:
Title:

FRANCHISEE:

By:
Name:
Title:

By:
Name:
Title:

FRANCHISE OWNERS:
(All Franchise Owners must sign and date, and by signing hereunder each of them agrees to be individually, jointly and severally bound by all of the terms and conditions this Agreement.)

Date: _________ **Sign:**
Print Name:
Franchise Owner
Address:

Date: _________ **Sign:**
Print Name:
Franchise Owner
Address:

Date: _________ **Sign:**
Print Name:
Franchise Owner
Address:

EXHIBIT A to Franchise Agreement

REPRESENTATIONS AND WARRANTIES REGARDING OWNERS, OWNERSHIP INTERESTS AND OFFICERS OF FRANCHISEE

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, and with the full understanding that Franchisor named below is relying on these representations in entering into the Franchise Agreement between ___________ ___________________________, a _________________________________, as Franchisee (and herein "Franchisee"),and Egg N Bird Franchising, Inc., a Texas corporation, as Franchisor (and herein, "Franchisor"), to which this document is attached (the "Franchise Agreement"), each of the undersigned individuals hereby represents and warrants to Franchisor as follows:

1. **Ownership**: Set forth immediately below is a complete list of each and every owner of any financial or equity interest in Franchisee and an accurate description of the interest in Franchisee of each of the owners:

Name of Owner:
Description of Ownership Interest:
Percent of this Interest in Franchisee: ______________%

Name of Owner:
Description of Ownership Interest:
Percent of this Interest in Franchisee: ______________%

Name of Owner:
Description of Ownership Interest:
Percent of this Interest in Franchisee: ______________%

Name of Owner:
Description of Ownership Interest:
Percent of this Interest in Franchisee: ______________%

Name of Owner:
Description of Ownership Interest:
Percent of this Interest in Franchisee: ______________%

Total of all Interests should equal 100%.

2. **Officers**: Set forth immediately below is a complete list of each and every officer of Franchisee and that person's title.

Name:
Title:

Name:
Title:

[Continuation and Signature Page of Representations and Warranties]

Name:
Title:

Name:
Title:

Name:
Title:

IN WITNESS WHEREOF, each of the undersigned individuals has executed these Representations and Warranties as of ____________________.

Sign:
Print Name:
Address:

Sign:
Print Name:
Address:

Sign:
Print Name:
Address:

Sign:
Print Name:
Address:

EXHIBIT F
Authorization for Prearranged Payment

EXHIBIT F TO DISCLOSURE DOCUMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT

(DIRECT DEBITS)

The undersigned depositor ("Depositor") authorizes Egg N Bird Franchising Inc. ("Egg N Bird") to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to Egg N Bird's instructions.

________________________ ______________________

Depository Branch

____

Street Address, City, State, Zip Code

_________________________ _____________________

Bank Transit / ABA Number Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from Egg N Bird and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give Egg N Bird and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

____

Depositor

____

By

____

Title

____

Date

EXHIBIT G
Franchise Owner Photography Release

FRANCHISE OWNER PHOTOGRAPHY RELEASE

I, ________________________, the undersigned, hereby sells, assigns and grants EGG N BIRD FRANCHISING INC. ("Egg N Bird")and its assigns and their affiliates and successors (collectively hereinafter "Assigns") all right, title and interest to and permission to copyright, use, publish and republish photographs of me and negatives and reproductions thereof, in any form, whether in whole, part or composite form, electronic, digital or conventional; blurred, altered or distorted; in color or black and white; video or otherwise for art, trade, internal distribution or any other lawful purpose in any lawful manner anywhere in the world and/or on the worldwide web. I hereby waive any right to inspect or approve any final product of my photographs. I hereby release and discharge Egg N Bird Franchising Inc. and the Assigns and their employees, directors and officers from all actions, claims, and demands of any nature which I, my heirs, executor, administrator, assigns or agents may have at any time now or in the future arising out of or related to the rights granted above or the photographs taken of me on or about the date noted above or any time throughout the term of the Franchise Agreement.

I hereby warrant that I am at least 18 years of age and have full right and capacity to contract in my own name with respect to the above.

I have read and understand the above and consent to the foregoing.

Franchise Owner's Signature: ____________________________
Print Name:
Date:

EXHIBIT H
Limited Construction Project Management Agreement

EXHIBIT H TO DISCLOSURE DOCUMENT

LIMITED CONSTRUCTION PROJECT MANAGEMENT AGREEMENT

This agreement is entered between EGG N BIRD FRANCHISING INC., a Texas corporation, 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060 ("Franchisor"), and **Franchisee NAME** ("Franchisee") and is effective from the date signed at the end of this agreement.

Location: **Store Address**

1. Lease and Guarantee. Franchisee is the contractual party for the Lease Contract of the location and agrees to provide all the necessary guarantees.

2. Construction. Franchisor shall support and guide contractor and Franchisee, throughout the entire construction phase. Franchisor anticipates that contractor and/or Franchisee will report construction progress and/or issues related with construction within a reasonable time, to Franchisee.

3. Total Budget. Franchisee agrees to pay the total budget of **Six Thousand Dollars ($6,000.00)** for a Franchisor Support Build-up. Support cost is based on a Franchisor approved Contractor builds out, subjected to change if a Non-Approved Contactor is selected. The total budget shall include the following jobs to effect operation of the store specified as below:

a. Supervising Fee

i. Provide & guide thru store build-up process

ii. Provide & guide thru build-up process milestone/time schedule

iii. Revise and Approve Floor Layout for Architectural plans

iv. Provide list of approved General Contractor

v. Provide ALL required Equipment information (Bypass, Taylor 791 Machines, -Distribution, Equipment, etc.)

vi. Provide ALL vendor contact information and Contracts

vii. Assist in ordering the following equipment:

1. Walk-in Cooler Information

2. Interior/Exterior Graphics

3. Kitchen Equipment & Smallwares

4. Cabinetry, Stainless Steel Frames, Franchisor Provided Items, etc.

viii. Assist with Delivery of Equipment

ix. Assist Opening Team with Employee training prior to grand opening, if needed

x. Provide up to, two site visits (Travel cost by Franchisee):

First visit will be scheduled during the third week of constructing – if needed.

Second visit will be scheduled at the end of construction. "General Punch List" must be 95% complete. Any punch list items must be addressed/completed, prior to store opening.

Additional visits will be $750.00 per day, plus expenses.

b. Assist in ordering POS System

c. Following items shall be the Franchisee's responsibility:

i. Alarm System (Burglar Alarm)

ii. Security System (Security Cameras)

iii. Muzak System (Audio System)

iv. Low Voltage (Installation of Computer/phone lines, speakers, amplifier, etc.)

v. Office Supplies

vi. Employee Uniforms and any other YLLSM.com items

vii. Proforma related operational supplies

viii. Marketing

ix. Cleaning/Chemical Supplies

x. Have General Contractor send weekly construction progress photos & recap sent to your Franchisor Project Manager. These pictures are due every Friday at 12:00 pm. If GC does not send weekly photos the Franchisor Project Manager will travel to site and take progress pictures at franchisees expense of up to $750 per day plus expenses.

4. Terms of Payment. Franchisee shall pay 100% of the total contract amount when the contract is signed

5. Travel. Franchisee shall retain the cost of lodging, transportation, meals, incidentals, outside of a radius of 100 miles from corporate office.

6. POS System. Franchisor will assist with the ordering of the POS system. Third party software such as Microsoft Office and Antivirus shall be Franchisee's responsibility. Server, Merchant IDs, key codes, and installation shall be Franchisee's or the vendor's responsibility, as applicable

7. Opening /Training. Franchisee shall send two staff members to Corporate Training prior to store opening. Once site is turned over to the Opening Team by the Construction Team, Franchisor shall assist Franchisee with the training of all employees.

8. Vendors and Utility. Franchisor shall assist Franchisee in ordering equipment and scheduling vendors throughout building process. Utilities such as telephone, electricity, gas, water, etc., shall be Franchisee's responsibility. Franchisee shall sign all Contracts, submit paperwork to all vendors, and will be responsible for all billing.

9. Waiver or Modification. Any waiver, modification or amendment of any provision of this Agreement shall be effective only if in writing in a document that specifically refers to this Agreement, and such document is signed by the party against whom enforcement thereof is sought.

10. Notices. All notices or other communications required or permitted hereunder shall be in writing, shall be personally delivered, or faxed with subsequently mailed confirmation to the addresses set forth in this Agreement.

11. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

12. Complete Understanding. This Agreement hereto constitutes the full and complete understanding and agreement of the parties hereto with respect to the specific subject matter covered herein and supersedes all prior understandings and agreements with respect thereto.

13. Attorney Fee Provision. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which the party may be entitled. This provision shall be construed as applicable to the entire contract.

[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties through their duly authorized signatories have caused this Agreement as of the date set forth above.

FRANCHISOR:	**FRANCHISEE:**
EGG N BIRD FRANCHISING INC., a Texas corporation	________________________________
By:______________________________ Name:____________________________ Title:_____________________________	By:______________________________ Name:____________________________ Title:_____________________________
	By:______________________________ Name:____________________________ Title:_____________________________

604557431.3

EXHIBIT I
Personal Guaranty

PERSONAL GUARANTY OF FRANCHISEE'S UNDERTAKINGS

In consideration of, and to induce, the agreement by Egg N Bird Franchising Inc., a Texas corporation ("Egg N Bird"), to the terms of that certain Franchise Agreement dated as of ________________ (the "Franchise Agreement"), with ______________________________ ("Franchisee"),each of the undersigned (collectively, "Guarantors," and each individually, "Guarantor") unconditionally guarantees to Egg N Bird that Franchisee will fully perform and satisfy on time, each and every term, covenant, condition, payment, indebtedness, agreement, undertaking, and obligation of Franchisee in the Franchise Agreement in accordance with the terms and conditions below.

Each of the undersigned Guarantors hereby represents to Egg N Bird that: a) they constitute all of the owners of all of the outstanding equity of Franchisee and their respective spouses; and b) they will not permit any transfer of any ownership interest in Franchisee without first obtaining Egg N Bird's written consent in accordance with the terms of the Franchise Agreement.

This Guaranty is absolute and shall be continuing and irrevocable throughout the term of the Franchise Agreement and any extension or renewal and thereafter until all obligations of Franchisee to Egg N Bird have been satisfied. This Guaranty is directly enforceable against each of the undersigned guarantors without first resorting to or exhausting remedies against Franchisee. No indulgence, forbearance or extension of time for performance will in any way release any of the undersigned from any liability or obligation under this Guaranty.

This Guaranty is a guaranty of performance, not merely of collection. Egg N Bird and its successors and assigns may, from time to time without notice to Guarantors and without diminishing Guarantors' obligations: (a) resort to any of the Guarantors for payment of any of Franchisee's liabilities, whether or not Egg N Bird or its successors resorted to any property that secures the liabilities or proceeded against any other Guarantor(s) or against Franchisee on any of the liabilities; (b) release or compromise liability of any Guarantor or any liability of any parties primarily or secondarily liable on any of the liabilities; and (c) extend, renew, or credit any of the liabilities for any period (whether or not longer than the original period).

Guarantors hereby covenant to comply with and abide by the restrictive covenants and non-disclosure provisions in the Franchise Agreement to the same extent and for the same period of time as Franchisee is required to comply with and abide by those covenants.

Guarantors' obligations shall survive termination, expiration, non-renewal, or transfer of the Franchise Agreement. Until all obligations of Franchisee to Egg N Bird have been satisfied, Guarantors' obligations shall remain in full force and effect without regard to, and shall not be released, discharged, or modified or affected by, any circumstance or condition (whether or not Guarantors have any knowledge or notice), including without limitation Franchisee's bankruptcy, insolvency, reorganization, composition, liquidation, or similar proceeding or condition. The remedies in this Guaranty shall be nonexclusive and cumulative of all other rights, power, and remedies provided under the Franchise Agreement or by law or in equity.

Guarantors waive presentment, demand, notice of dishonor, protest, nonpayment, notice of acceptance hereof, notice of all contracts and commitments, notice of the existence or creation of any liabilities under the Franchise Agreement or the amount and terms thereof, notice of defaults, disputes, or controversies resulting from the Franchise Agreement or otherwise, and the settlement, compromise, or adjustment thereof, as well as all other notices.

Guarantors shall pay all reasonable expenses incurred by Egg N Bird in attempting to enforce the Franchise Agreement or this Guaranty, including without limitation reasonable attorneys' fees, out-of-pocket expenses, and costs. Any waiver, extension of time, acceptance of partial payment, or other indulgence, if any, granted from time to time by Egg N Bird, its agents, successors, or assigns shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional, and irrevocable. No delay or failure of Egg N Bird in the exercise of any right, power, or remedy, or the exercise of any other right, power, or remedy shall be deemed a waiver of any right, power, or remedy. Guarantors intend that each of them shall remain liable hereunder as a principal until all obligations have been satisfied, regardless of any fact, act, event, or occurrence that might otherwise operate as a legal or equitable discharge of Guarantors.

The liability of each Guarantor shall be joint and several and primary. No Guarantor shall attempt to assign or delegate this Guaranty without the prior written consent of Egg N Bird, which consent may be withheld in the sole discretion of Egg N Bird, and no such attempt shall be effective except with such prior written consent.

This Guaranty shall be governed by and construed in accordance with the laws of the State of Texas. Each Guarantor hereby consents to the jurisdiction and venue of the federal and state courts located within the State of Texas and covenants to initiate no litigation or arbitration proceeding pertaining to this Guaranty in any venue outside the State of Texas.

This Guaranty is signed by each Guarantor (and each respective spouse in consent of the pertinent Guarantor's entry into this Guaranty) on the date stated next to that Guarantor's name, and this Guaranty is effective for each Guarantor as of the earliest of such dates.

This Guaranty constitutes the full and complete understanding and agreement of the parties hereto with respect to its specific subject matter and supersedes all prior understandings and agreements with respect thereto. Nothing in this Guaranty or any related agreement, however, is intended to disclaim the representations of Egg N Bird contained in the Franchise Disclosure Document previously furnished by Egg N Bird to any Guarantor or Guarantor's spouse.

[The next page is the signature page of this Agreement.]

[This is the signature page of this Guaranty Agreement.]

______________________________	______________________________
Guarantor	(**Witness** to Signature at Left)
Print Name: ______________________	Print Name: ______________________
Date: __________________________	
______________________________	______________________________
Spouse of Guarantor	**(Witness** to Signature at Left)
Print Name: ______________________	Print Name: ______________________
Date: __________________________	
______________________________	______________________________
Guarantor	(**Witness** to Signature at Left)
Print Name: ______________________	Print Name: ______________________
Date: __________________________	
______________________________	______________________________
Spouse of Guarantor	**(Witness** to Signature at Left)
Print Name: ______________________	Print Name: ______________________
Date: __________________________	
______________________________	______________________________
Guarantor	(**Witness** to Signature at Left)
Print Name: ______________________	Print Name: ______________________
Date: __________________________	
______________________________	______________________________
Spouse of Guarantor	**(Witness** to Signature at Left)
Print Name: ______________________	Print Name: ______________________
Date: __________________________	

______________________________	______________________________
Guarantor	(**Witness** to Signature at Left)
Print Name: ____________________	Print Name: ____________________
Date: ________________________	
______________________________	______________________________
Spouse of Guarantor	**(Witness** to Signature at Left)
Print Name: ____________________	Print Name: ____________________
Date: ________________________	

EXHIBIT J
Non-competition and Non-disclosure Agreement

EXHIBIT J TO DISCLOSURE DOCUMENT

NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Non-Competition and Non-Disclosure Agreement (this "Agreement") is made and entered into on ___________________________, by and between Egg N Bird Franchising Inc., a Texas corporation ("Egg N Bird"), and ________________________________ ("Franchise Owner"), an individual residing at ____, with reference to the following facts.

RECITALS

Franchise Owner is intending to acquire an Egg N Bird franchise or an ownership interest in an existing Egg N Bird franchisee entity ("Franchisee"). Franchise Owner acknowledges that the experience, training, and assistance offered by Egg N Bird and Franchise Owner's access as an owner of an Egg N Bird franchisee entity to confidential and proprietary information could enable Franchise Owner to take unfair advantage of Egg N Bird by competing against part or all of the Egg N Bird System during or after Franchise Owner's period of ownership. To protect this information, Franchise Owner's signing and delivery of this Agreement are conditions for Egg N Bird to authorize the disclosure of certain information to Franchise Owner. Accordingly, the parties hereby agree as follows:

AGREEMENT

1. Non-Disclosure. Franchise Owner shall hold in confidence all Confidential Information (as defined below) and shall not disclose, communicate, publish, or make use of all or any part of any Confidential Information, without prior written consent of an officer of Egg N Bird, which consent may be withheld in Egg N Bird's sole discretion.

2. Definition. "Confidential Information" shall mean all disclosures and communications of information made to Franchise Owner by or at the direction of Franchisee or Egg N Bird containing information not available to the general public. Confidential Information includes without limitation all recipes, formulas, and methods for preparation of Egg N Bird products, product specifications, systems, procedures, techniques for food preparation, sales and marketing, development and operational procedures of Egg N Bird stores, confidential marketing programs for Egg N Bird stores, and confidential information on Egg N Bird products, materials, suppliers, equipment, operating results, and financial performance of Egg N Bird stores, other trade secret information, and all portions of Egg N Bird's Confidential Operation Manual.

3. Other Protections under Applicable Law. The restrictions from disclosure in Section 1 are additional to and not in lieu of protections afforded to trade secrets and proprietary confidential information under applicable laws. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting Egg N Bird's rights under applicable laws to protect trade secrets and proprietary confidential information.

4. Return of Materials. On Egg N Bird's request, Franchise Owner shall immediately deliver to Egg N Bird all memos, notes, records, manuals, drawings and other documents (including, but not limited to, written instruments, voice or data recordings, computer tapes, disks

and files of any nature), and all copies of these materials and all documents prepared or produced in connection with the foregoing, containing Confidential Information regarding Egg N Bird or its business, whether made or compiled by Franchise Owner or furnished to Franchise Owner due to Franchise Owner's relationship with Egg N Bird or Franchisee or otherwise obtained by Franchise Owner.

5. (a) In-Term Non-Competition Covenant. Franchise Owner covenants that during that period of her or his ownership (direct or indirect) of any financial, beneficial, or equity interest in an Egg N Bird franchise while the Franchise Agreement is in effect, Franchise Owner shall not in any way, directly or indirectly, perform any services for, engage in, or hold any financial, beneficial or equity interest in, any Competitive Business to that of an Egg N Bird® Store. For purposes of this Section 5(a), such a "Competitive Business" means (a) any store, manufacturer, seller, reseller, distributor, or similar business specializing or in any way emphasizing egg or chicken sandwiches, snacks, or similar foods located anywhere, or (b) any entity that is granting franchises or licenses to others to operate one or more stores specializing in or emphasizing egg or chicken sandwiches, snacks, or similar foods, or (c) a business that operates or licenses others to operate retail businesses in which aggregate sales of egg or chicken sandwiches, or similar products, in aggregate, from any individual facility of such business constitute or would likely constitute more than ten percent (10%) of operating revenues annually from such individual facility.

5. (b). Post-Term Non-Competition Covenant. Franchise Owner covenants that for the three (3) year period immediately following the earlier of: a) the complete transfer of any and all of his or her ownership (direct or indirect) of any financial, beneficial, or equity interest(s) in an Egg N Bird franchise, or b) the expiration or termination of the applicable franchise agreement, Franchise Owner shall not in any way, directly or indirectly, perform any services for, engage in, or hold any financial, beneficial or equity interest in, any Competitive Business to that of an Egg N Bird® Store. For purposes of this Section 5(b), a "Competitive Business" means (a) any store, manufacturer, seller, reseller, distributor, or similar business specializing or in any way emphasizing egg or chicken sandwiches, snacks, or similar foods located within a fifteen (15) mile straight-line radius from the front door of the Egg N Bird® Store which was or is then the subject of the Franchise Agreement or the same county as any other Egg N Bird® Store then operating or under construction, or (b) any entity that is granting franchises or licenses to others to operate one or more stores specializing in or emphasizing egg or chicken sandwiches, snacks, or similar foods, or (c) a business that operates or licenses others to operate retail businesses in which aggregate sales of egg or chicken sandwiches, or similar products, in aggregate, from any individual facility of such business constitute or would likely constitute more than ten percent (10%) of operating revenues annually from such individual facility.

6. Severability. If a judicial or arbitral determination is made that any provision of this Agreement is an unreasonable or otherwise unenforceable restriction against Franchise Owner, that provision shall be deemed to be amended to comprise the maximum, enforceable scope of protection in that jurisdiction of the Confidential Information, the Egg N Bird System, and each Egg N Bird Store, as applicable. Any judicial or arbitral authority construing this Agreement shall be empowered to sever any prohibited business activity, time period, or geographic area from the coverage of this Agreement and to apply the provisions of this Agreement to the remaining business activities, remaining geographic area and remaining time period not so severed by that

authority. The time period during which the prohibitions in this Agreement shall apply shall be tolled and suspended for a period equal to the aggregate amount of time during which Franchise Owner violates those prohibitions in any way. This tolling is not intended to waive or excuse any breach and is in addition to and not in lieu of available remedies for the breach.

7. Injunctive Relief. Franchise Owner acknowledges and agrees that any remedy at law for breach of Sections 1, 4 or 5 would be inadequate and that Egg N Bird shall be entitled to injunctive relief in addition to any other remedy Egg N Bird may have under this Agreement.

8. Miscellaneous

a. No Hardship. Franchise Owner acknowledges, represents and warrants that the restrictions in this Agreement do not restrict Franchise Owner from engaging in any trade or profession, and that Franchise Owner has skills and talents sufficient to enable Franchise Owner to earn a living, so that compliance with the restrictions in this Agreement is not and will not be a hardship to Franchise Owner.

b. Binding effect. This Agreement shall be binding on, and shall benefit Egg N Bird and its successors and assigns, and Franchise Owner and his heirs, representatives and assigns.

c. Governing Law. This Agreement is entered into in conjunction with a Franchise Agreement dated ________________, between Egg N Bird and an entity wholly or partially owned by Franchise Owner (the "Franchise Agreement") pertaining to an Egg N Bird Store to be operated in the state of _______________ (the "Franchisee State"), this Agreement shall be governed by and construed in accordance with the laws of the Franchisee State without regard to the conflicts of law principles thereof.

d. Headings. Section and paragraph headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.

e. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

f. Waiver of Conditions. Any party may, at its option, waive in writing any or all of the conditions in this Agreement to which its obligations are subject. No waiver of any provision of this Agreement shall constitute a waiver of any other provision (whether or not similar), nor shall any waiver on one occasion constitute a continuing waiver unless otherwise expressly provided.

g. Entire Agreement. This Agreement is intended by the parties to be the final expression of their agreement regarding its subject matter and is the complete and exclusive statement of the terms thereof, regardless of any representations, statement or agreements to the contrary. Only a written instrument signed by all of the parties may modify this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations contained in the Franchise Disclosure Document previously furnished by Egg N Bird to Franchise Owner.

Entered into as of the date first above written.

FRANCHISE OWNER

____
Individually

Print Name:____________________________

EGG N BIRD FRANCHISING INC.

By: ________________________________
Name: ________________________________
Title: ________________________________

EXHIBIT K
General Release

GENERAL RELEASE

This GENERAL RELEASE is made on __________________, by the undersigned ("Releasing Party").

For good and valuable consideration to Releasing Party (the receipt and sufficiency of which are hereby acknowledged), Releasing Party hereby waives, releases, and forever discharges Egg N Bird Franchising Inc., a Texas corporation, each and all of its shareholders, affiliates, subsidiaries, officers, directors, employees, agents, attorneys, and representatives, Phillip Chang, an individual, and Michelle Chang, an individual (all collectively, the "Released Parties") from any and all claims, demands, liabilities, or causes of action in law or in equity of whatsoever nature arising prior to and including the date hereof that the Releasing Party now has or may hereafter have by reason of any act, omission, event, deed, or course of action having taken place, or having been omitted, including without limitation any that is on account of, or arising out of any franchise agreement, lease or sublease agreement, or any other agreement between Releasing Party and any of the Released Parties, occurring prior to the date of this Release, except as may be prohibited by law.

Releasing Party hereby expressly acknowledges that any and all rights granted Releasing Party or anyone else under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

> **"Section 1542.**
>
> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

Releasing Party hereby promises to defend, indemnify, and hold harmless from any claims, demands, liabilities, or causes of action in law or equity brought against any of the Released Parties by any of Releasing Party's owners, parents, affiliates, directors, officers, or employees that is or are based on any acts or omissions of any of the Released Parties occurring prior to the date of this Release.

In addition, Releasing Party hereby warrants and represents to the Released Parties that Releasing Party has never assigned to anyone any claim of Releasing Party against any of the Released Parties.

[The balance of this page is intentionally left blank.]

In Witness Whereof, Releasing Party through its duly authorized signatory signs and delivers this Release effective as of the first date above.

RELEASING PARTY:
a

By: ____
Name:
Title:

By: ____
Name:
Title:

By: ____
Name:
Title:

By: ____
Name:
Title:

EXHIBIT L
Area Development Agreement

AREA DEVELOPMENT AGREEMENT

This **AREA DEVELOPMENT AGREEMENT** (this "**Agreement**") is made and entered into ________________ (the "**Effective Date**"), between Egg N Bird Franchising Inc., a Texas corporation whose principal office is at 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060 ("**Company**"), and ___________________, a(n) __________________, whose principal address is at ________________________________ ("**Developer**"), with reference to the following facts:

RECITALS

A. Company has developed and continues to develop a System (as defined below) for the operation of stores that specialize in the offer and sale of egg and chicken sandwiches and, if required or permitted by Company from time to time, other items of food, beverage and merchandise under the Marks (as defined below), using valuable trade names, trademarks and service marks belonging to Company and which system features distinctive business formats, systems, copyrights, methods, recipes, procedures, designs, layouts and specifications and various Trade Secrets and other Confidential Information, and in some cases, includes architectural designs, trade dress, uniforms, equipment specifications, layout plans, inventory, record-keeping and marketing techniques developed and owned by the Company.

B. Company identifies the System by certain proprietary and other property rights and interests in and to the trademarks, trade names, service marks, logotypes, insignias, trade dress and designs which Company may from time to time authorize or require for use in connection with the operation of Stores, as the same may be added to, substituted or modified from time to time (the "**Marks**").

C. Company licenses qualified persons and entities as franchisees to establish and operate Stores using the Marks and the System under Franchise Agreements with Company.

D. Developer desires to obtain the right and obligation to develop, open and operate multiple Stores at the Applicable Category of Store (defined below) under Franchise Agreements with Company in a defined geographic area, type of location, or channel of commerce and Company is willing to grant this right to Developer in accordance with the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and obligations herein contained, the parties hereto agree as follows:

AGREEMENT

1. DEFINITIONS.

1.1 Capitalized Terms. Capitalized terms used in this Agreement without definition shall have the meanings ascribed to them in Section 1.2, unless the context clearly indicates otherwise.

1.2 Definitions.

"**Affiliate**" when used herein in connection with Company or Developer, includes each person and Business Entity that directly or indirectly, controls, is controlled by, or is under common control with Company or Developer, as applicable. Without limiting the foregoing, the term "Affiliate" when used herein in connection with Developer, includes any Business Entity more than 50% of whose stock; membership interests; Partnership Rights; or other equity ownership interests (collectively "**Equity**") or voting control is held by person(s) or Business Entities who, jointly or severally, hold more than 50% of the Equity or voting control of Developer. For purposes of this definition, control of a person or Business

Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or Business Entity. Notwithstanding the foregoing definition, if Company or its Affiliate has any ownership interest in Developer, the term "Affiliate" shall not include or refer to the Company or that Affiliate (the "**Company Affiliate**"), and no obligation or restriction upon an "Affiliate" of Developer, shall bind Company, or said Company Affiliate or their respective direct/indirect parents or subsidiaries, or their respective officers, directors, or managers.

"**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations) the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

"**Applicable Category of Store**" means [check-one] ☐Traditional Venue(s) ☐ Non-Traditional Venue(s).

"**Applicable Law**" means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, including, without limitation, those governing the development, construction and/or operation of the Store, including, without limitation, all labor, disability, food and drug laws and regulations, as in effect on the Effective Date hereof, and as may be enacted, modified or amended from time to time thereafter.

"**Assignment**" shall means any assignment, sale, transfer, gift, lien, pledge, mortgage, hypothecation, conveyance, encumbrance, grant of a security interest, or other conveyance, voluntarily or involuntarily, in whole or in part, by operation of Applicable Law or otherwise, of any interest in this Agreement or any of Developer's rights or privileges hereunder, or all or any substantial portion of the assets of Developer; provided, further, however, that if Developer is a Business Entity, each of the following shall be deemed to be an Assignment of this Agreement: (i) the sale, assignment, transfer, conveyance, gift, lien, pledge, mortgage, hypothecation, grant of a security interest, or other encumbrance of more than 49% in the aggregate, whether in one or more transactions, of the Equity or voting power of Developer, by operation of law or otherwise or any other event(s) or transaction(s) which, directly or indirectly, effectively changes control of Developer; (ii) the issuance or change of any securities by, or Equity of, Developer which itself or in combination with any other transaction(s) results in the Owners, as constituted on the Effective Date, or the date of the last Assignment for which Company granted its consent, whichever is later, owning less than 51% of the outstanding Equity or voting power of Developer; (iii) if Developer is a partnership, the resignation, removal, withdrawal, death or legal incapacity of a general Partner or of any limited Partner owning more than 49% of the Partnership Rights of the partnership, or the admission of any additional general Partner, or the transfer by any general Partner of any of its Partnership Rights in the partnership, or any change in the ownership or control of any general Partner; (iv) the death or legal incapacity of any Owner owning more than 49% of the Equity or voting power of Developer; (v) any merger, stock redemption, conversion, consolidation, reorganization, recapitalization involving, directly or indirectly, Developer or any Owner, and/or (vi) other transfer of control of Developer, however effected.

"**Authorized Products**" means the specific food and beverage items and ancillary related products and merchandise, as specified by Company from time to time in the Manuals or as otherwise directed by Company in writing, for sale at a Store operated by Developer, prepared and served in strict accordance with Company's recipes, standards and specifications, including specifications as to ingredients, brand names, preparation and presentation.

"**Business Entity**" means any limited liability company, general partnership or limited partnership (each of which shall be referred to as a "**partnership**"), and any trust, association, corporation or other entity that is not an individual.

"**Confidential Information**" means proprietary and confidential information and Trade Secrets of Company, including, standards, specifications, programs, supplier information, procedures, policies, concepts, systems, know-how, plans, software, strategies, methods, programs, routines, service techniques, services, clothing designs, techniques and plans for advertising, promoting, developing and operating Stores and methods of obtaining licensing and meeting regulatory requirements.

"**Development Area**" shall mean the geographic area described on Exhibit "A".

"**Development Obligation**" shall mean Developer's right and obligation to construct, equip, open and thereafter continue to operate, under Franchise Agreements executed pursuant hereto and at sites within the Development Area, the cumulative number of Stores set forth in Exhibit "B" by the dates set forth therein.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Developer could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor general economic conditions; nor the performance, non-performance or exercise of rights under any agreement with Developer by any lender, landlord, contractor, or other person shall be an event of Force Majeure, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, Developer's financial inability to perform or Developer's insolvency shall not be an event of Force Majeure.

"**Franchise Agreement**" means the Then-current standard form of agreement used by Company to grant franchises to own and operate a single Store, and all exhibits and related instruments, as may be amended from time to time. Amendments may include, without limitation, initial fees, changes in royalty amounts or other fees.

"**Franchise Disclosure Document**" or "**Disclosure Document**" means the franchise disclosure document or its equivalent as may be required by Applicable Law.

"**Governmental Authority**" means and includes all federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions, and authorities.

"**Initial Franchise Fee**" shall have the meaning set forth in Section 4.

"**Manual**" means all of the operating manuals, training manuals, bulletins, and other materials related to the System, as they may be published or amended from time to time.

"**Marks**" shall have the meaning set forth in Recital B.

"**Non-Traditional Venue**" means (i) any location within another primary business or in conjunction with institutional and other business or institutional settings, including, but not limited to, resorts, hotels and motels, ships, ports, piers, casinos, arenas, fairs, stadiums, airports, gyms, colleges and universities, schools, hospitals, medical centers, military and other governmental facilitates (including commissaries), toll roads, travel plazas, office or in-plant food facilities, health clubs, Shopping Malls, supermarkets, grocery stores, anchor retail department stores, big-box retailers, specialty retailers, convenience stores, fast food operations such as food courts, and any location to which the general public does not have unlimited access and/or any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider; (ii) mobile outlets, temporary or seasonal food service facilities; and/or (iii) commercial kitchen facilities that provide order and delivery-only services, which may include the associated online or mobile ordering and delivery and/or pick-up services. Examples of non-traditional locations include mobile outlets (such as food trucks), "ghost" kitchens, kiosks, concessions, multi-brand facilities, grocery stores, club stores, convenience stores, concert venues, casinos, toll roads, hotels and motels, ships, travel plazas, ports, piers, supermarkets, convention centers, airports, resorts, amusement parks, sports stadiums, fairs, expositions, college and university buildings, military bases and/or commissaries, hospitals and medical centers, and other venues operated by a master concessionaire or contract food service provider. "**Non-Traditional Venues**" shall have the corresponding meaning.

"**Owner**" means the owner of any direct or indirect interest in Franchisee, including any shareholder, member, general or limited partner, trustee, or other Equity owner of a Business Entity. Franchisee's Owners are listed in Exhibit C.

"**Partner**" means any partner of a partnership.

"**Partnership Rights**" means voting power, property, profits or losses, or partnership interests of a Partner.

"**Shopping Mall**" means any retail shopping center containing two or more anchor retail department stores. Current examples of anchor retail department stores include Sears, Macy's, JCPenny, Mervyn's, Nordstrom, Neiman Marcus, Bloomingdales, Saks Fifth Avenue, Dillard's, K-Mart, Kohls, Ross Stores, Best Buy, Circuit City, Wal-Mart, Home Depot, Orchard Supply & Hardware, Office Max, Office Depot, 99 Cents Only Stores, or other similarly large retail stores.

"**Store**" means a store or other outlet, whether operated at a Traditional Venue or a Non-Traditional Venue, operated under the Marks and in accordance with the System pursuant to a validly existing Franchise Agreement and specializing in the sale of Authorized Products for on-premise and off-premise consumption.

"**System**" shall mean the Company's business operating methods for a Store, including interior and exterior store design; other items of trade dress; specifications for equipment, fixtures, and uniforms; formats; systems; copyrights; Manuals; methods; procedures; designs and layouts; specifications; defined product offerings, recipes and preparation methods; Trade Secrets and other Confidential Information; standard operating and administrative procedures; management and technical training programs; inventory procedures; marketing and public relations programs; and other materials, trade secrets, know-how, and technology, all as the same may exist today or as they may change from time to time, as specified in the Manual or as otherwise directed by Company from time to time.

"**Term**" shall have the meaning set forth in Section 3.

"**Then-current**" as used in this Agreement and applied to the Disclosure Document and a Franchise Agreement and/or Area Development Agreement shall mean the form then currently provided by Company to similarly situated, prospective Franchisees, or if not then being so provided, then such form selected by the Company in its discretion which previously has been delivered to and executed by a Franchisee of Company.

“**Trade Secrets**” means proprietary and confidential information, including recipes, ingredients, specifications, costing procedures, policies, concepts, systems, know-how, plans, strategies, and methods and techniques of developing, constructing and operating the Store and producing Authorized Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation.

“**Traditional Venue**” is any location that is not a Non-Traditional Venue.

2. GRANT.

2.1 Grant of Development Rights.

(a) Company hereby grants to Developer, subject to the terms and conditions of this Agreement (and specifically subject to Sections 2.2 and 5), limited rights to obtain Franchise Agreements providing for the establishment and operation of **____** franchised Stores only at the Applicable Category of Store within the Development Area in accordance with the Development Obligation. Developer shall sign a Franchise Agreement for each Store to be developed and established pursuant to this Agreement. Developer’s rights and obligations set forth in this Agreement are personal to Developer and its Owners. Developer and its Owners have represented to Company that they have entered into this Agreement for the purpose and with the intention to fully perform under and comply with the Development Obligation hereunder.

(b) During the Term, Company shall not operate or grant a license or franchise to any other person or Business Entity to operate a Store at the Applicable Category of Store within the Development Area.

2.2 Reservation of Rights. Notwithstanding anything to the contrary in this Agreement, Company reserves the rights: (i) itself to develop, own, operate and grant licenses and franchises for Stores at locations and on terms that Company deems appropriate at any location outside the Development Area; (ii) without any geographic limitation, to make and sell, or cause to be made and sold, products (including without limitation products that are also authorized for Stores) under Company’s or other trademarks, service marks, logos or commercial symbols, through other retail stores and other distribution channels on such terms as Company deems appropriate; (iii) itself to develop, own, operate and grant licenses and franchises for Stores inside the Development Area after the expiration or earlier termination of this Agreement; or (iv) itself to develop, own, operate and grant licenses and franchises for Stores at any and all locations except the Applicable Category of Store only and on terms that Company deems appropriate, regardless of whether such locations are within or outside the Development Area.

2.3 No Trademark License. No right or license is granted to Developer hereunder to use any trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned by Company, such right being granted solely pursuant to a Franchise Agreement. The rights granted hereunder pertain only to the development of Stores and do not confer upon Developer any right or franchise to operate any Store. This Agreement is intended by the parties only to set forth the terms and conditions which, if fully satisfied by Developer, shall entitle Developer to obtain Franchise Agreements for the establishment and operation of Stores within the Development Area.

2.4 No Subfranchising by Developer. Developer shall not offer, sell, or negotiate the sale of franchises to any third party, either in Developer’s own name or in the name and/or on behalf of Company, or otherwise subfranchise, subcontract, sublicense, share, divide or partition this Agreement or any Franchise Agreement executed pursuant hereto, and nothing in this Agreement will be construed as granting

Developer the right to do so. Developer shall not execute any Franchise Agreement with Company, or construct or equip any Store with a view to offering or assigning such Franchise Agreement or Store to any third party.

3. TERM.

3.1 Term. The term of this Agreement shall commence on the Effective Date and shall expire on ________________, unless earlier terminated in accordance with this Agreement ("**Term**").

3.2 Early Termination. If one (or more) of the events specified below in this Section 3.2 occur during the Term of this Agreement, Company shall then automatically be deemed to have the right, but not the obligation, to terminate this Agreement effective on delivery of notice of termination to Developer:

(a) *Crime*. Developer (or, if Developer is a Business Entity, any member, shareholder, Partner, director, limited liability company manager, or officer or equivalent category of official, of Developer) is convicted of or pleads no contest to or is found guilty or liable for a fraud, felony, any crime involving moral turpitude, or other crime or offense which Company reasonably believes is related to Developer's operation of a Store or is likely to have an adverse effect on the System, the Marks, or their goodwill;

(b) *Unauthorized Assignment*. Developer causes or permits any Assignment or security interest in this Agreement without Company's prior written consent or causes or permits an Assignment of any franchise agreement signed pursuant hereto or grants any security interest in any such franchise agreement, without Company's prior written consent;

(c) *Breach*. Developer breaches this Agreement or any other agreement with Company including, without limitation, breaches of provisions concerning timely payment of amounts due and does not correct the failure within 30 days after written notice of the failure is delivered to Developer (or such longer time as Applicable Law requires);

(d) *Failure to Meet Development Obligation*. Developer fails to open Stores in strict compliance with the Development Obligation;

(e) *Repeated Failure to Comply*. Developer is declared in default of this Agreement more than one time in the course of any twelve-month period; or

(f) *Termination of Other Agreement*. Any franchise agreement or other agreement between Developer and Company is terminated for breach by Developer or an Affiliate of Developer.

3.3 Effect of Termination. Immediately upon the expiration or termination of this Agreement, Developer shall have no further right to develop any additional Stores for which a Franchise Agreement has not then already been executed by Company and delivered to Developer; Developer may complete development of any locations for which a franchise agreement has then been executed by Company and delivered to Developer. Moreover, termination or expiration of this Agreement shall not, by itself, affect Developer's rights under any valid, the existing Franchise Agreement.

4. DEVELOPMENT FEE.

Simultaneously with execution of this Agreement by Developer, Developer shall deliver to Company a non-refundable development fee in an amount of U.S. $____________ (the "**Development Fee**"). Company shall credit the Development Fee as follows: U.S. $39,000 of the Development Fee shall be credited against the Initial Franchise Fee payable pursuant to the franchise agreement for the first Store to be developed hereunder and U.S. $18,000 of the Development Fee shall be credited against Initial Franchise Fee payable pursuant to each franchise agreement for the second and subsequent Stores to be developed hereunder until the entire amount of the Development Fee has been credited. Credit toward the Initial Franchise Fee payable under a franchise agreement shall be made at the time of execution of the applicable franchise agreement. The fees stated in this section are, in their entirety, fully earned by Company when paid and not refundable for any reason. Nothing in this Agreement restricts Company from amending at any time its standard franchise agreement with regard to the initial franchise fees or otherwise.

5. SELECTION OF POINTS OF SERVICE LOCATIONS.

5.1 Location Report.

(a) Developer shall propose to Company locations for Stores. Each proposed Store location shall be in the Development Area and shall be subject to Company's prior written acceptance. Before Company shall be obligated to review any location proposed by Developer, Developer shall, in writing, shall submit to Company a report concerning the proposed store. The report shall contain such information about the proposed store and location as Company requests (the "**Store Report**"). Company may seek such additional information as it deems necessary following Developer's submission of the Store Report, and Developer shall respond promptly to such request for additional information.

(b) Although Company may voluntarily (without obligation) assist Developer in locating an acceptable site for a Store, neither Company's said assistance, if any, nor its acceptance of any proposed site, whether initially proposed by Developer or by Company, shall be construed to insure or guarantee the profitable or successful operation of the Store at that site by Developer, and Company hereby expressly disclaims any responsibility therefor. Developer acknowledges its sole responsibility for finding each site for the Stores it develops pursuant to this Agreement.

5.2 Acceptance by Company. Company shall deliver to Developer a written notice of acceptance or rejection of each proposed Store within thirty (30) days after Company receives the Store Report completed to Company's satisfaction. In accepting or rejecting any proposed Store, Company shall have the right to consider any factors Company deems relevant, including, without limitation, demographic characteristics, traffic patterns, predominant character of the geographic area, proximity to other particular types of businesses, size and appearance of premises and other physical and commercial characteristics.

5.3 Acceptance Regarding Store. Before Developer signs any lease or other type of agreement for a proposed Store, Developer shall submit the lease or other agreement for Company's acceptance. Developer shall not sign any such lease or agreement that Company rejects. In accepting or rejecting the submitted lease or other agreement, Company shall have the right to consider any and all terms and factors Company deems relevant.

5.4 Procedure After Acceptance. If Company has accepted Developer's proposed location for a Store. Company shall, subject to the conditions set forth in Section 5.5, offer Developer a Franchise Agreement to operate a Store at that location. If required by Applicable Law, Company shall deliver to Developer, along with that agreement, the then-applicable Franchise Disclosure Document or equivalent disclosure document. Within not less than fourteen (14) and not more than thirty (30) days after receipt by Developer, Developer shall sign the applicable franchise agreement and return it to Company with payment of the applicable initial franchise fee, less the amount, if any, applied to the initial franchise fee in accordance with Section 4. If Developer fails to sign and return the Franchise Agreement within the thirty (30) day period described above, then Company shall have the right, but not the obligation, to revoke its offer of the applicable franchise agreement to Developer for such location.

5.5 Condition Precedent to Company's Obligations. It shall be a condition precedent to Company's obligations pursuant to Sections 5.4, and to Developer's right to develop each and every Store, that Company is then offering and selling franchise in the state where the Development Area is located, and Developer shall have satisfied all of the following conditions precedent prior to Company's acceptance of the proposed Store and the site and lease or purchase agreement therefor, and the Company's execution of the Franchise Agreement therefor:

(a) Developer and its Affiliates shall have fully performed all of its obligations under this Agreement and all Franchise Agreements and other written agreements between Company and Developer, and must not at any time following Developer's submission of its Store Report for the applicable location, and until Company grants its acceptance of the proposed site, be in default of any of its contractual or other legal obligations to Company or any of its Affiliates, or any approved vendor or supplier, or to any federal, state, county or municipal agency.

(b) Developer shall have demonstrated to Company, in Company's discretion, Developer's financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement, and Developer's submission of a comprehensive management plan acceptable to, and accepted by Company, which shall include among other reasonable requirements as may be established by Company, an organization chart and supervisory requirements for the proposed Store. In determining if Developer is financially or otherwise capable, Company shall apply the same criteria to Developer as it applies to prospective area developers at that time.

(c) Developer and its Affiliates shall continue to operate, in the Development Area, not less than the cumulative number of Stores required by the Development Obligation to be in operation as of the end of the immediately preceding Development Period (as defined below).

(d) Developer, and each of its Affiliates who then has a currently effective Franchise Agreement or area development agreement with Company, must sign a general release of any claims they may have against Company and its Affiliates, on a form prescribed by Company.

(e) Developer and each of its Affiliates shall be in full compliance with Applicable Law.

5.6 Force Majeure.

(a) Subject to Developer's continuing compliance with Section 5.6(b), should Developer be unable to meet the Development Obligation for any Development Period solely as the result of Force Majeure or any legal disability of Company to deliver a Franchise Disclosure Document, which results in the inability of Developer to construct or operate the Stores in all or substantially all of the Development Area pursuant to the terms of this Agreement, the particular Development Period during which the event of Force Majeure (or Company's legal disability to deliver a Franchise Disclosure Document) occurs shall be extended by an amount of time equal to the time period during which the Force Majeure (or Company's legal disability to deliver a Franchise Disclosure Document) shall have existed during that Development Period. Development Periods during which no such Force Majeure (or legal disability) existed shall not be extended. Other than as a result of Force Majeure or Company's legal disability to deliver a Franchise Disclosure Document, any delay in Company's issuance of acceptance of any site, including, as a result of Developer's failure to satisfy the conditions set forth in above, shall not extend any Development Period.

(b) In the event of the occurrence of an event which Developer claims to constitute Force Majeure, Developer shall provide written notice to Company within 5 days following commencement of the alleged Force Majeure which notice shall include the words "force majeure" and explicitly describe the specific nature and extent of the Force Majeure, and how it has impacted Developer's performance hereunder. Developer shall continue to provide Company with updates and all information as may be requested by Company, including Developer's progress and diligence in responding to and overcoming the Force Majeure and the cessation of the Force Majeure. If Developer shall fail to notify Company of any alleged Force Majeure within said 5 day period or shall fail to provide updates or notify Company of the cessation of the Force Majeure, Developer shall be deemed to have waived the right to claim such Force Majeure.

6. DEVELOPMENT OBLIGATION.

6.1 Operating Restrictions. Within each "development period" specified in Exhibit B (each a "**Development Period**"), Developer shall construct, equip, open and thereafter continue to operate within the Development Area, not less than the cumulative number of Stores solely at the Applicable Category of Store required by the Development Obligation for that Development Period.

6.2 Application. Amounts paid pursuant to Section 4 shall be applied to any initial franchise fees coming due after payment of such amounts pursuant in accordance with Section 4.

6.3 Closures.

(a) If, due to no fault of Developer, damage or destruction occurs to the facilities of an operating Store opened under this Agreement so that it cannot continue to operate, then:

(i) Developer shall repair and restore it in accordance with the applicable Franchise Agreement, however,

(ii) if the damage concerns facilities adjoining the Store so that the Store cannot operate, then that Store, though it does not operate, shall still count toward the Development Obligation until the date when the adjoining facilities are repaired and reopened either in the same or different format, but in no event longer than 60 days.

(b) If a Store stops operating for any other reason during the Term, that Store shall not count toward satisfaction of the Development Obligation.

7. ASSIGNMENT/TRANSFER.

7.1 By Company. Company shall have the right to assign this Agreement, in whole and in part, and any rights and obligations in this Agreement, to any person(s), firm(s), Business Entity or otherwise. Without limiting the foregoing, Company may (i) assign any or all of its rights under this Agreement to a subsidiary or Affiliate; (ii) sell its assets, its Marks, or its System outright to a third party; (iii) go public; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire other Business Entity, or be acquired by another Business Entity; or (vi) undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. Company may perform such actions without liability or obligation to Developer, who expressly and specifically waives any claims, demands or damages arising from or related to any or all of the above actions (or variations thereof).

7.2 By Developer. Developer acknowledges that Company has entered into this Agreement in reliance on and consideration of the personal skills and qualifications of Developer or Developer's Owners. Neither Developer nor any Owner shall cause or permit any Assignment unless Developer shall have obtained Company's prior written consent, which consent may be withheld for any reason whatsoever in

Company's judgment or for no reason at all. Developer acknowledges and agrees that it will not be permitted to make an Assignment or sell, gift, convey, assign or transfer the assets used in any of the Stores developed hereunder or any Franchise Agreement executed pursuant to this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of all of the assets used in all of said Stores, and all of the Franchise Agreements executed pursuant to this Agreement or at Company's election the execution by the assignee of new Franchise Agreements on Company's Then-current form for each of the Stores then developed or under development by Developer, and otherwise in accordance with the terms and conditions of Developer's franchise agreement(s). If Developer is an Business Entity, Developer shall promptly provide Company with written notice (stating such information as Company may from time to time require) of each and every transfer, assignment, encumbrance, gift and other conveyance, voluntarily or involuntarily, in whole or in part, by operation of Applicable Law or otherwise by any Owner of any direct or indirect Equity or voting rights in Developer, notwithstanding that the same may not constitute an "Assignment" as defined by this Agreement. Any purported Assignment without such consent shall be void and of no effect and shall constitute an incurable default under this Agreement.

7.3 Negative Pledge. Developer shall have no right or power and shall not purport to pledge, encumber, hypothecate or otherwise grant any security interest in this Agreement. Any purported pledge, encumbrance, hypothecation or grant shall be void and of no effect and shall constitute an incurable default under this Agreement.

7.4 Developer's Sale to Third Party. If Company determines to grant its consent to a proposed Assignment by Developer, Developer and its assignee shall satisfy all Company's conditions thereto, including that:

(a) the proposed assignee provide Company information and references as Company requests to assess the proposed assignee's skills, qualifications and resources;

(b) the proposed assignee or appropriate officer attend and successfully complete any initial training required by Company at the proposed assignee's expense;

(c) the proposed assignee sign Company's Then-current form of area development agreement modified to (1) state the applicable territory in this Agreement, (2) delete any provisions for an Development Fee and (3) expire at the time of expiration of this Agreement;

(d) Developer provide Company a copy of all proposed contracts relating to the proposed assignment, and thereafter provide copies of all contracts relating to the assignment; and

(e) Developer and its Affiliates that operate Stores sign a general release of claims against Company and its Affiliates.

(f) Developer or proposed assignee pays a transfer fee of Twelve Thousand Five Hundred Dollars ($12,500).

7.5 Transfer on Death or Incapacity. If Developer is an individual who dies or becomes permanently incapacitated or if Developer is a corporation, limited liability company, partnership or other form of entity, then in the event of the death or incapacitation of any individual in control of Developer, Company shall allow the deceased's surviving spouse, heirs or estate or the incapacitated person's legal representative the opportunity to participate in the same capacity as Developer under this Agreement during the 180 days immediately following the death or incapacity, provided that during such time the surviving spouse, heirs or estate or legal representative (x) fully complies with all agreements between Developer and Company, maintains all standards of the System, and satisfies all then current qualifications for a new area developer or (y) in accordance with the requirements of this Section 7, sells such person's ownership interest in Developer or, if applicable, this Agreement to a person who satisfies Company's then current standards for a new developer.

8. CONFIDENTIALITY AND OTHER DEVELOPMENTS

8.1 Confidentiality. Developer may have access to proprietary and Confidential Information, including the standards, procedures, concepts and methods and techniques of developing and operating a Store. Company may disclose certain of its Confidential Information to Developer in the operations manuals(s), bulletins, supplements, confidential correspondence, or other communications, and through Company's training program and other guidance and management assistance. Developer shall not acquire any interest in the Confidential Information other than the right to use it in developing a Store. Developer's duplication or use of the Confidential Information in any other endeavor or business shall constitute an unfair method of competition. Developer shall: (i) not use the Confidential Information in any business or other endeavor other than in connection with the development of Stores; (ii) refrain from disclosing the Confidential Information and maintain the absolute confidentiality of the Confidential Information during and after the Term; and (iii) make no unauthorized copy of any portion of the Confidential Information, including the Manual(s), bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral. Developer shall implement reasonable procedures prevent unauthorized use and disclosure of the Confidential Information. If Developer has any reason to believe that any employee or other person has improperly used or disclosed the Confidential Information, Developer shall promptly notify Company and shall cooperate with Company to protect Company against infringement or other unlawful use, including, the prosecution of any lawsuits if, in the judgment of Company, such action is necessary or advisable.

8.2 Certain Developments. All ideas, concepts, techniques or materials relating to a Store ("**Developments**"), whether or not protectable intellectual property and whether created by or for Developer or its Owners, employees or contractors, must be promptly disclosed to Company and will be deemed to be Company's sole and exclusive property. Developer assigns ownership of that item, and all related rights to that item, to Company. The Company will sign and cause its Owners, employees and contractors to sign whatever assignment or other documents Company requests to evidence Company's ownership and to help Company obtain intellectual property rights in the item. Developer may not use any Developments in operating a Store or otherwise without Company's prior written consent. Developer waives all moral rights in the Developments and will cause all of its Owners, employees and contractors to waive all moral rights in the Developments.

9. MISCELLANEOUS.

9.1 Indemnity. Developer shall defend, indemnify and hold harmless Company and its Affiliates, and each of their respective members, shareholders, directors, officers, co-workers, employees, agents, and other representatives from all claims, losses, damages, judgments, settlements, penalties, losses, costs and expenses including reasonable attorney's fees incurred in connection with any action, suit or other proceeding regardless of whether reduced to judgment, or any settlement arising from any such proceeding, by reason of any claimed act or omission by Developer, its co-workers or agents whether in its capacity as Developer or otherwise.

9.2 Gender and Construction. The terms of all Exhibits hereto are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full herein. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or Section hereof may require. When a reference is made in this Agreement to an Article, Section or Exhibit, such reference shall be to an Article, Section or Exhibit to this

Agreement, unless otherwise indicated. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval, acceptance or authorization of Company which Developer may be required to obtain hereunder may be given or withheld by Company in its sole discretion, and on any occasion where Company is required or permitted hereunder to give its consent, or make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Company's standards or satisfaction, Company may do so in its sole subjective judgment and discretion. No provision herein expressly identifying any particular breach of this Agreement as material shall be construed to imply that any other breach which is not so identified is not material. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. Company and Developer intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

9.3 No Consequential Damages For Legal Incapacity. Company shall not be liable to Developer for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Developer by reason of any delay in the delivery of Company's Franchise Disclosure Document caused by legal incapacity during the Term, or other conduct not due to the gross negligence or intentional misfeasance of Company.

9.4 Entire Agreement. This Agreement is the entire agreement among the parties concerning its subject matter and supersedes all other agreements, understandings, negotiations and discussions pertaining to such subject matter. Nothing in this Agreement is intended to disclaim any representations made in the Franchise Disclosure Document.

9.5 Amendment. This Agreement may be modified or amended only by a written instrument signed by both parties.

9.6 Waiver. No waiver by Company of any default or defaults, or series of defaults in performance by Developer, and no failure, refusal or neglect of Company to exercise any right, power or option given to it hereunder or under any Franchise Agreement or other agreement between Company and Developer, whether entered into before, after or contemporaneously with the execution hereof, or to insist upon strict compliance with or performance of Developer's (or its Affiliates) obligations under this Agreement or any Franchise Agreement or other agreement between Company and Developer (or its Affiliates), whether entered into before, after or contemporaneously with the execution hereof, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent default or a waiver by Company of its right at any time thereafter to require exact and strict compliance with the provisions thereof. Company will consider written requests by Developer for Company's consent to a waiver of any obligation imposed by this Agreement. Developer agrees, however, that Company is not required to act uniformly with respect to waivers, requests and consents as each request will be considered on a case by case basis, and nothing shall be construed to require Company to grant any such request. Any waiver granted by Company shall be without prejudice to any other rights Company may have, will be subject to continuing review by Company, and may be revoked, in Company's discretion, at any time and for any reason. Company makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer by providing any waiver, approval, acceptance, consent, assistance, or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay, or denial of any request.

9.7 Parties in Interest; Third Parties. Except as provided in Section 9.1 above pertaining to indemnity of identified persons and entities, nothing in this Agreement is intended to benefit any person or entity who is not a party to this Agreement.

9.8 Notices. Except as otherwise provided herein, any notices required or permitted under this Agreement shall be in writing, in English, and shall be served on the other party personally or by certified mail, return receipt requested, postage prepaid or by reputable overnight private courier and shall be effective on the date delivery is documented to have been first attempted during normal business hours for the locale of the address of the party first stated above. Either party may so notify the other of a new or changed address to which notices hereunder are thereafter to be sent.

9.9 Relationship of the Parties. The parties shall be independent contractors. Neither Developer nor any employee of Developer shall be deemed to be an employee of Company. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency or any fiduciary or special relationship. All employees hired by or working for Developer shall be the employees of Developer and shall not, for any purpose, be deemed employees of Company or subject to Company control.

9.10 Mediation**.** The parties shall mediate any dispute or claim arising out of this Agreement, or any resulting transaction, before initiating any arbitration or court action, except as otherwise expressly provided herein. The parties shall share equally the cost of the mediator. If a party attempts to commence an action subject to this paragraph without first attempting mediation, then the action shall be stayed and the party shall not be entitled to recover attorneys' fees and costs even if they would otherwise have been available to that party; provided, however, this Section does not restrict a party from seeking provisional relief in court pending the outcome of mediation or arbitration.

9.11 Arbitration. Any controversy or claim arising out of or relating to the relationship of the parties or to this Agreement or its breach, including without limitation, any claim that this Agreement or any provision is invalid, illegal, void or voidable shall be submitted to arbitration before and in accordance with the commercial arbitration rules of the American Arbitration Association, JAMS, or any other arbitration service of similar, high repute. To the extent permitted by law, the parties shall share equally the fees of the arbitrator and arbitration service. The arbitration shall be conducted in the County of Dallas, State of Texas, before an arbitrator who is familiar with franchising and franchise law. To the extent permitted by law, the parties and their respective guarantors waive any right to seek or recover punitive or exemplary damages against the other and agree that any recovery shall be limited to actual damages sustained. This arbitration provision shall be governed by and construed under the Federal Arbitration Act (9 U.S.C. Section 1 et seq.). Judgment on an arbitration award may be entered in any court having competent jurisdiction and shall be final, binding and non-appealable. This arbitration provision shall be deemed to be self-executing and shall remain in full force and effect after expiration or termination of this Agreement. If a party fails to appear at a properly noticed arbitration proceeding, an award may be entered against that party by default or otherwise.

9.12 Exception to Mediation and Arbitration. The obligations to arbitrate or mediate shall not bind either party regarding claims relating to trademarks, patents, or copyrights; any claim under any Franchise Agreement between the parties; any lease or sublease of real property between the parties or their affiliated entities; requests by a party for provisional or interim relief to preserve the status quo or prevent irreparable harm pending the outcome of mediation or arbitration; any matter within the jurisdiction of a probate, or small claims; filing of a court action to enable the recording of a notice of pending action; or any other matter expressly provided in this Agreement to be excluded from arbitration or mediation.

9.13 Law, Jurisdiction and Venue. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.), the Federal Arbitration Act (as provided above), or other federal law, this Agreement shall be construed in accordance with and governed by Texas law without regard to conflict of law rules. Each party to this Agreement hereby consents to the personal jurisdiction of the federal and state courts sitting in the State of Texas, and with respect to any dispute or controversy pertaining to this Agreement, each party hereby covenants not to initiate any mediation, arbitration or litigation outside the State of Texas. The parties acknowledge that they have reviewed this section and have had the opportunity to seek independent legal advice as to its meaning and effect. If the laws of the state where the Development Area is located require terms other than those or in addition to those in this Agreement, then this Agreement shall be deemed to be modified to comply with the applicable state laws, but only to the extent needed to prevent invalidity or illegality of this Agreement. To the extent permitted by Applicable Law, Developer waives any provision of law that would render any provision of this Agreement unenforceable in any respect.

9.14 Time for Bringing Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Company and Developer, or Developer's operation of its business, must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (c) two (2) years after the first act or omission giving rise to an alleged claim; or its expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Claims of Company attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification shall be subject to only the applicable state or federal statute of limitations.

9.15 Severability. If any provision of this Agreement is ruled unenforceable by an arbitrator or court as provided above, the unenforceable provision shall be replaced by a provision that is enforceable and to the extent allowed by law most closely retains the parties' original intent.

9.16 Costs of Enforcement. In any arbitration or litigation concerning performance or breach of this Agreement, the prevailing party shall be entitled to recover its attorney's fees and other reasonable costs and expenses incurred in participating in such arbitration or litigation.

9.17 Interest. Any amount owed to Company and not paid when due shall bear interest at the lesser of 1-1/2% per month or the highest rate allowed by Applicable Law.

9.18 Further Assurances. Developer shall sign such other additional instruments as Company requests to accomplish the purpose of this Agreement.

9.19 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

9.20 Time. **TIME IS OF THE ESSENCE OF THIS AGREEMENT.**

9.21 Waiver of Jury Trial. In all cases, each of Developer and Company hereby irrevocably waives trial by jury.

9.22 Anti-Terrorism Laws. Developer and its Owners certify that none of Developer, its Owners, employees, or anyone associated with Developer is listed in the Annex to Executive Order 13224. Developer hereby covenants not to hire or have any dealings with a person listed in the Annex. Developer certifies that it has no knowledge or information that, if generally known, would result in Developer, its Owners, employees, or anyone associated with Developer being listed in the Annex. Developer and its Owners shall comply with and/or assist Company to the fullest extent possible in Company's efforts to comply with the Anti-Terrorism Laws. In connection with such compliance, Developer and its Owners certify, represent, and warrant that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Developer and its Owners are not otherwise in violation of any of the Anti-Terrorism Laws. Developer is solely responsible for ascertaining what actions must be taken by Developer to comply with all such Anti-Terrorism Laws. Developer specifically acknowledges and agrees that Developer's indemnification responsibilities as provided in this Agreement pertain without limitation to Developer's obligations under this Section. Any misrepresentation by Developer under this Section or any violation of the Anti-Terrorism Laws by Developer, its Owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Developer has entered into with Company or one of Company's affiliates.

9.23 Submission of Agreement. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Company and Developer.

[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF, Developer and Company through their duly authorized signatories have executed this Agreement effective as of the Effective Date.

"**Company**"

Egg N Bird Franchising Inc.,
a Texas corporation

By:
Name:
Title:

"**Developer**"

a(n)

By:
Name:
Title:

EXHIBIT A

DEVELOPMENT AREA

The Development Area* is defined as the territory within the boundaries described below:

* If the Development Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Development Area shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.

EXHIBIT B

DEVELOPMENT OBLIGATION AND SCHEDULE

Development Period* Ending	**Cumulative No. of Stores (at the Applicable Category of Store) to be in Operation**
1st Anniversary Date**	
2nd Anniversary Date**	
3rd Anniversary Date**	
4th Anniversary Date**	
5th Anniversary Date**	
6th Anniversary Date**	

* The first Development Period begins on the Effective Date and ends on the date that the first development period ends and each subsequent development period begins on the date of the then-ended Development Period and ends on the next Development Period ending date set forth above until the expiration of the Agreement.

** "Anniversary Date" refers to the applicable anniversary date of the Effective Date of the Area Development Agreement.

Agreed:

"**Company**"

Egg N Bird Franchising Inc.,
a Texas corporation

By:
Name:
Title:

"**Developer**"

a(n)

By:
Name:
Title:

EXHIBIT C

LIST OF DEVELOPER'S OWNERS

NAME	TITLE	PERCENT OWNERSHIP

EXHIBIT M
Table of Contents of Confidential Operation Manual

Franchise Operations Manual

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EXHIBIT N

List of Franchised and Company Owned Locations as of December 31, 2021, and List of Franchisees Who Were Terminated, Cancelled or Not Renewed or Who Otherwise Voluntarily or Involuntarily Ceased to Do Business in the Year Ending December 31, 2021

NONE

EXHIBIT O

Addendum to Egg N Bird Franchising Inc. Franchise Agreement for Remainder of Term

ADDENDUM TO
EGG N BIRD FRANCHISING INC. FRANCHISE AGREEMENT
FOR REMAINDER OF TERM

This Addendum to Egg N Bird Franchising Inc. Franchise Agreement for Remainder of Term ("this Addendum") is entered into and effective as of ________________, by and between **EGG N BIRD FRANCHISING INC.** ("Franchisor"), and ________________________ a ________________ ("Franchisee") with reference to the following facts:

RECITALS

A. Franchisor had previously entered into with ______________________ ("Previous Franchisee") a Egg N Bird Franchising Inc. Franchise Agreement (the "Original Franchise Agreement") which had an expiration date of _____________ (the "Original Expiration Date"); pertaining to the Egg N Bird Store located at __________________________________ (the "Store"); and

B. In conjunction with Previous Franchisee's sale of the business at the Store to Franchisee, Franchisor and Franchisee have entered into a new, current form, Egg N Bird Franchising Inc. Franchise Agreement (the "New Franchise Agreement," to which this Addendum applies) which is hereby modified as set forth below to account for the fact that the term of the New Franchise Agreement commences on the first date written above, that the Store is already constructed and is operating, and that the term of the New Franchise Agreement expires on the Original Expiration Date.

Now, Therefore, Franchisor and Franchisee, in conjunction with entering into the New Franchise Agreement, do hereby modify the New Franchise Agreement as follows:

ADDENDUM

1. Recitals. Each of the above Recitals is hereby incorporated into this Addendum as a mutual acknowledgement and representation of each party hereto to the other.

2. Capitalized Terms. All capitalized terms contained in this Addendum are deemed to have the same meaning herein as in the New Franchise Agreement.

3. Modifications of Franchise Agreement. This Addendum modifies and to the extent contrary supersedes the New Franchise Agreement as follows:

a. Subsection 4.2 (Initial Training) of the New Franchise Agreement is hereby deleted in its entirety and replaced with "intentionally deleted".

b. Subsection 6.1 (Initial Franchise Fee) of the New Franchise Agreement is hereby deleted in its entirety and replaced with "intentionally deleted".

c. Subsection 6.2 (Limited Construction Project Management Services Fee) is hereby deleted in its entirety and replaced with “intentionally deleted”.

d. The first sentence of Subsection 6.3 (Training Fees) of the New Franchise Agreement is hereby deleted in its entirety and not replaced.

e. Subsection 8.3 (Limited Construction Project Management Support) of the New Franchise Agreement is hereby deleted in its entirety and replaced with “intentionally deleted”.

f. Subsection 8.4 (Opening Assistance) of the New Franchise Agreement is hereby deleted in its entirety and replaced with “intentionally deleted”.

4. Assumed Responsibility. Franchisee hereby acknowledges and agrees that, notwithstanding the cancellation of the Original Franchise Agreement, Franchisee hereby assumes full responsibility for all performance and other obligations of Previous Franchisee under the Original Franchise Agreement arising prior to the Effective Date of the New Franchise Agreement (including without limitation payment of royalties, Marketing Fund Fees, indemnification of Franchisor, etc.).

5. Continuing Effect. Except as modified by this Addendum, the New Franchise Agreement remains in full force and effect as written.

In Witness Whereof, Franchisor and Franchisee have executed this Addendum effective as of the Effective Date in the New Franchise Agreement.

Franchisor:	**Franchisee:**
Egg N Bird Franchising Inc. a Texas Corporation	
By: Name: Title: Date:	By: __________________________ Name: Title: Date:
	By: __________________________ Name: Title: Date:

By: ________________________________
Name:
Title:
Date:

By: ________________________________
Name:
Title:
Date:

Exhibit P

Renewal Addendum to Franchise Agreement

**RENEWAL ADDENDUM TO
EGG N BIRD FRANCHISING INC.
FRANCHISE AGREEMENT**

This Renewal Addendum to Egg N Bird Franchising Inc. Franchise Agreement ("this Addendum") is entered into and effective as of __________, 20 (the "Execution Date"), by and between Egg N Bird Franchising Inc. ("Franchisor"), and ___________________ ("Franchisee") with reference to the following facts:

RECITALS

A. Franchisor and Franchisee are each party to that certain Egg N Bird Franchising Inc. Franchise Agreement with Effective Date of ______________, 2021, pertaining to Egg N Bird® Store # ____ (the "Store"), located at_____________________________, in the City of ______________, State of _________________ (as amended, if at all, the "Existing Franchise Agreement").

B. The Existing Franchise Agreement is set to expire of its own terms at the close of business on __________________ (the "Current Expiration Date").

C. The Existing Franchise Agreement granted to Franchisee a conditional right to renew the Egg N Bird franchise agreement for the Store for _____ renewal term of five (5) years' duration, commencing immediately upon the expiration of the term of the Existing Franchise Agreement.

D. Franchisee has requested and Franchisor has agreed to a renewal term for the period from _____________________ (hereinafter, the "Renewal Term").

E. The conditions for such renewal include (among others):

1. Franchisee's timely payment to Franchisor of a Renewal Fee in the amount of _______ Thousand U.S. Dollars ($___,000.00);

2. Franchisee's execution of Franchisor's then current form of Egg N Bird Franchise Agreement, except with: a) no initial franchise fee, b) a term of five (5) years, and c) other modifications to account for the Renewal Term instead of the original term, as provided below in Section 7 of this Addendum;

3. Franchisee's execution of a general release of all known and unknown claims against Franchisor; and

4. Franchisee's promise to remodel, redecorate, renovate, and upgrade the Store's premises to Franchisor's then current standards.

F. Franchisee received Franchisor's current Franchise Disclosure Document for the State of ____________________ not less than fourteen (14) days prior to the Execution Date, which describes the form of franchise agreement that Franchisor is willing to enter into with Franchisee to cover the Renewal Term, and Franchisee has reviewed and considered that Franchise Disclosure Document as well as the terms and conditions of the form of franchise agreement described in that Franchise Disclosure Document as modified by this Addendum.

G. After the above-described review and consideration, Franchisee desires to enter into a franchise agreement in the form described in the Franchise Disclosure Document for the Renewal Term for the Store (the "New Franchise Agreement") as that form of franchise agreement is modified by the terms of this Addendum.

H. Franchisor is willing to grant Franchisee a renewal franchise term for the Store in accordance with the terms and conditions set forth below and subject to Franchisee's full and faithful performance of Franchisee's promises set forth below.

Now, Therefore, Franchisor and Franchisee, in conjunction with entering into the New Franchise Agreement, do hereby modify the New Franchise Agreement as follows:

ADDENDUM

1. Renewal Fee. As a condition precedent to the validity of this Addendum and the New Franchise Agreement, Franchisee shall have delivered to Franchisor not later than the close of business on the Execution Date (by check or wire transfer) good funds in the amount stated in Subsection 7.B below as the Renewal Fee for the Renewal Term.

2. Conditions for Renewal. Franchisee hereby promises to promptly fulfill each and every one of the conditions for renewal as provided in the Existing Franchise Agreement as though fully stated here in this paragraph.

3. Premises. Franchisee shall lease or sublease, as applicable, the Store's current premises (or different premises approved by Franchisor for the Renewal Term, and confirmed as such in writing by Franchisor to Franchisee) for a lease or sublease term covering at least the duration of the Renewal Term.

4. Physical Updating. As a condition of renewal, Franchisee hereby promises to remodel, redecorate, renovate, and upgrade the Store facility to Franchisee's current standards for new Egg N Bird Stores and to complete all of such work to Franchisor's reasonable satisfaction on or before ____________________, 20____ (the "Renovation Completion Date"), in good and workmanlike, lawful manner, including each and every item included on Exhibit A attached to this Addendum and incorporated herein.

5. General Release. As a condition precedent to the validity of Franchisor's execution of the New Franchise Agreement and this Addendum, Franchisee and each of its owners shall deliver to Franchisor simultaneously with Franchisee's execution of this

Addendum a fully- executed and witnessed general release in the form of Exhibit B attached hereto and incorporated herein.

6. Personal Guaranties. As a condition precedent to the validity of Franchisor's execution of the New Franchise Agreement and this Addendum, each of Franchisee's owners shall deliver to Franchisor simultaneously with Franchisee's execution of this Addendum a fully-executed personal guaranty (on Franchisor's current form) of Franchisee's obligations under the New Franchise Agreement as modified by this Addendum.

7. Modifications of Franchise Agreement. The New Franchise Agreement is further modified as follows:

a. Item C of the Contract Data Schedule (Initial Franchise Fee) is hereby deleted in its entirety and replaced with the following:

C. Renewal Franchise Fee: The "Renewal Franchise Fee" is ___________________ U.S. Dollars ($__________).

b. Subsection 4.2 (Initial Training) and Subsection 4.3 (Failure to Complete Initial Training) of the New Franchise Agreement are hereby deleted in their entirety and not replaced.

c. Subsection 6.1 (Initial Franchise Fee) of the New Franchise Agreement is hereby deleted in its entirety and replaced with the following:

6.1 Renewal Fee. Simultaneously with Franchisee's execution and delivery of this Agreement to Franchisor, Franchisee must pay Franchisor a Renewal Fee in the amount of ________ Thousand U.S. Dollars **(U.S.$__,000.00)** pertaining to the Renewal Term governed by this Agreement.

d. Subsections 6.2 (Limited Construction Management Services Fee) and 6.3 (Training Fees) of the New Franchise Agreement are hereby deleted in their entirety and not replaced.

e. Subsection 6.17 (Renewal Fee) of the New Franchise Agreement is hereby deleted in its entirety and replaced with the following:

6.17 Renewal Fee. As one of the conditions to entering into a renewal franchise agreement (on Franchisor's then-current form of franchise agreement), Franchisee shall pay Franchisor a non-refundable renewal fee of ______ Thousand Dollars ($___,000) for an additional five- year term as provided in Section 9.3. **[Included only if fee is different from current agreement.]**

f. Subsection 7.3 (Opening Date) of the New Franchise Agreement is hereby deleted in its entirety and replaced with the following:

Franchisee shall re-open the business to the public ("Re-Opening Date") after completing the remodel, renovation, redecorating and upgrade of the existing premises (or, if applicable, completing construction of the new premises for operation of the franchise in the Renewal Term governed by this Agreement) not later than the Current Expiration Date or such other date as an officer of Franchisor approves (in his or her sole discretion) in writing (in either case, the "Scheduled Re-Opening"). If Franchisee fails to re-open the Store on or before the Scheduled Re-Opening, Franchisee shall pay Franchisor One Thousand Four Hundred Dollars ($1400.00) per month (prorated for partial months) from the original Scheduled Re-Opening until such time that the Store actually re-opens for business. Such payments shall be in addition to any Royalty Fees and Marketing Fund Fees otherwise due and payable. Each payment shall be due and payable in arrears on the first day of the first calendar month immediately following the original Scheduled Re-Opening as defined above.

g. If the Renewal Term provided for in Subsection 7.h below is for a term of five (5) years, then Section 7.24 (Store Remodeling) of the New Franchise Agreement is hereby deleted in its entirety and not replaced; provided, however, if the Renewal Term provided for in Subsection 7.h below is for a term of longer than five (5) years, the Section 7.24 (Store Remodeling) remains unchanged as written in the New Franchise Agreement.

h. Subsection 8.3 (Limited Construction Management Support) and Subsection 8.4 (Opening Assistance) of the New Franchise Agreement are hereby deleted in their entirety and not replaced.

i. Subsection 9.1 (Initial Term) of the New Franchise Agreement is hereby deleted in its entirety and replaced with the following:

9.1 Renewal Term. The parties acknowledge that this Agreement covers the Renewal Term, which Renewal Term shall commence on the first day immediately following the date of expiration of the term of the Original Franchise Agreement pertaining to the Store (the "Initial Term's Expiration Date") and is intended to run for five (5) years to the date of the fifth (5^{th}) anniversary of the Initial Term's Expiration Date and then expire automatically and immediately.

j. Subsection 9.2 (Renewal) of the New Franchise Agreement is hereby deleted in its entirety and replaced with the following:

9.2 Subject to Franchisee's timely fulfillment of each of the conditions set forth in Section 9.3 **Error! Reference source not found.**, Franchisee shall have the right to renew this Agreement for _____ (_) additional term of five (5) years. **[Included only if different from current agreement.]**

8. Commencement of Renewal Term. Subject to Franchisee's completion to Franchisor's satisfaction on or before the Renovation Completion Date of the remodeling, redecorating, renovating, and upgrading work as contemplated in Section 4 above in this Addendum, Franchisor will notify Franchisee of Franchisor's satisfaction and the Renewal Term will then commence (or be deemed to have commenced, as applicable) on the first day immediately following the Current Expiration Date. With commencement of the Renewal Term, the Existing Franchise Agreement will be deemed fully superseded by the New Franchise Agreement as modified by this Addendum.

9. Incorporation of Recitals. Each of the above Recitals is hereby incorporated into this Addendum as a mutual acknowledgement and representation of the parties to each other.

10. Capitalized Terms and Effect. All capitalized terms contained in this Addendum are deemed to have the same meaning herein as used in the New Franchise Agreement. Except as modified by this Addendum, the New Franchise Agreement remains in full force and effect as written.

In Witness Whereof, Franchisor and Franchisee have executed this Renewal Addendum to Egg N Bird Franchising Inc. Franchise Agreement effective as of the Execution Date above.

FRANCHISOR:	**FRANCHISEE:**
Egg N Bird Franchising Inc.	___________________________
a Texas corporation	a ____________________________
By: ____________________________	By: ___________________________________
Name:	Name:
Title:	Title:
Date:	Date:

EXHIBIT A

REMODEL, REDECORATION, RENOVATION AND UPGRADE REQUIRMENTS

EXHIBIT B - FORM OF GENERAL RELEASE

GENERAL RELEASE

This GENERAL RELEASE is made on ____________________, by the undersigned (collectively, "Releasing Parties," and each separately, a "Releasing Party").

For good and valuable consideration to Releasing Parties (the receipt and sufficiency of which are hereby acknowledged), Releasing Parties and each of them hereby waive, release, and forever discharge Egg N Bird Franchising Inc., a Texas corporation, each and all of its shareholders, affiliates, subsidiaries, officers, directors, employees, agents, attorneys, and representatives, Phillip Chang, an individual, and Michelle Chang, an individual (all collectively, the "Released Parties") from any and all claims, demands, liabilities, or causes of action in law or in equity of whatsoever nature arising prior to and including the date hereof that the Releasing Parties or any of them now has or may hereafter have by reason of any act, omission, event, deed, or course of action having taken place, or having been omitted, including without limitation any that is on account of, or arising out of any franchise agreement, lease or sublease agreement, or any other agreement between Releasing Party (or any of them) and any of the Released Parties, occurring prior to the date of this Release, except as may be prohibited by law.

Each of Releasing Parties hereby expressly acknowledges that any and all rights granted Releasing Parties, or any of them, or anyone else under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

> **"Section 1542.**
>
> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

Each of Releasing Parties hereby promises to defend, indemnify, and hold harmless from any claims, demands, liabilities, or causes of action in law or equity brought against any of the Released Parties by any of Releasing Parties or any of their owners, parents, affiliates, directors, officers, or employees that is or are based on any acts or omissions of any of the Released Parties occurring prior to the date of this Release.

In addition, each of the Releasing Parties hereby warrants and represents to the Released Parties that none of the Releasing Parties has ever assigned to anyone any claim of any Releasing Party against any of the Released Parties.

[This is the signature page of the attached General Release.]

In Witness Whereof, each of the Releasing Parties individually or, as applicable, through its duly authorized signatory signs and delivers this Release effective as of the first date above.

RELEASING PARTIES:

FRANCHISEE Name: ________________________ an ____________________________	Witness as to signature to the left:
By ____________________________ Name: __________________________ Title ____________________________	______________________________________ Print Witness Name:
____________________ DATE:	

Exhibit Q

Assignment of Egg N Bird Franchising Inc. Franchise Agreement and General Release

ASSIGNMENT of FRANCHISE AGREEMENT and GENERAL RELEASE

FOR VALUABLE CONSIDERATION (including Egg N Bird Franchising Inc.'s consent to this Assignment), the receipt and sufficiency of which are hereby acknowledged, each of the undersigned (collectively and individually, "Assignor") sells, assigns, and transfers to ________________ a ____________________, and ________________________as individual(s) ("Assignee"), all right, title, and interest in and to the Franchise Agreement pertaining to Egg N Bird Store No. _______ (the "Franchise Agreement") located at: ________________________ (the "Store").

Each of the undersigned acknowledges and agrees that this Assignment does not and will not relieve the undersigned from any of his or her obligations under the Franchise Agreement, or any related agreements with Egg N Bird Franchising Inc. ("Egg N Bird"). Each of the undersigned hereby covenants to indemnify Egg N Bird, its shareholders, subsidiaries, and affiliates, and to hold each of them harmless from and against any and all claims, demands, costs (including attorney's fees), or any other damages or injuries which Egg N Bird or any of them may sustain in connection with this Assignment. **[INSERT THE FOLLOWING IF THE ASSIGNEE IS SIGNING A NEW FRANCHISE AGREEMENT: Effective upon the full execution of this Assignment of Franchise Agreement and General Release and the execution and delivery by Assignee of Egg N Bird Franchising Inc.'s then-current franchise agreement (the "Replacement Franchise Agreement") the Franchise Agreement shall be deemed cancelled and fully replaced and supersede by the Replacement Franchise Agreement.]**

Further, each of the undersigned hereby waives, releases, and forever discharges Egg N Bird, its shareholders, subsidiaries, and affiliates, and each of their respective owners, officers, directors, employees, agents, attorneys, and representatives (collectively, "Releasees"), from any and all claims, demands, liabilities, or causes of action in law or in equity of whatsoever nature (collectively, "Claims") arising prior to and including the date hereof, which the undersigned now have or may hereafter have by reason of any act, omission, event, deed, or course of action having taken place, or having been omitted, including without limitation all Claims on account of or arising out of the Franchise Agreement, or any other agreement between the undersigned and Egg N Bird (including disclosure of and negotiations related to the franchise offering associated with the Franchise Agreement), except as may be prohibited by law. This is intended as a full and complete general release by each of the undersigned of any and all Claims against any and all of Releasees. It is expressly acknowledged by the undersigned that any and all rights granted under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

"Section 1542.

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Assignor:
a

Date: __________________ By:___________________________________
Print Name:

Date: __________________ By:___________________________________
Print Name:

ACCEPTANCE

Assignee, the undersigned business organization, hereby accepts the above Assignment of all of the rights and assumes all of the obligations of Franchisee under the Franchise Agreement and agrees to be bound by all the terms and conditions thereof **[INSERT THE FOLLOWING IF THE ASSIGNEE IS SIGNING A NEW FRANCHISE AGREEMENT: , as replaced and superseded by the Replacement Franchise Agreement (as defined above)]**. Furthermore, Assignee agrees that any notice to Franchisee under the Franchise Agreement shall be deemed validly served on the undersigned when such notice is posted, certified mail return receipt requested, or by reputable, private courier service, to the address for notice in the Franchise Agreement to the attention of the Agent of the Assignee, as named below.

Assignee:
a

Date: ________________ By: ______________________________________
Name:
Title:

Date: ________________ By: ______________________________________
Name:
Title:

<u>CONSENT of EGG N BIRD</u>

Egg N Bird hereby consents to the above Assignment and to the above Acceptance thereof upon the terms and conditions set forth respectively in each of them and in the Personal Guaranty below.

EGG N BIRD FRANCHISING INC.

Date: ______________________________

By: ________________________________
Name:
Title:

Egg N Bird Store No.

PERSONAL GUARANTY

In consideration, and to induce the execution by Egg N Bird, of the above Consent to Assignment, each of the undersigned (collectively, "Guarantors," and each individually, "Guarantor") hereby unconditionally guarantees to Egg N Bird that Franchisee will fully perform and satisfy on time, each and every term, covenant, condition, payment, agreement, undertaking, and obligation of Franchisee in the Franchise Agreement in accordance with the terms and conditions set forth below. This Guaranty shall be continuing and irrevocable throughout the term of the Franchise Agreement, any extension or renewal thereof, and thereafter until all obligations of Franchisee to Egg N Bird have been satisfied.

This Guaranty is a guaranty of performance, not merely of collection. Egg N Bird and its successors and assigns may, from time to time without notice to Guarantors and without diminishing Guarantors' obligations: (a) resort to any of the Guarantors for payment of any of Franchisee's liabilities, whether or not Egg N Bird or its successors resorted to any property that secures the liabilities or proceeded against any other Guarantor(s) or against Franchisee on any of the liabilities; (b) release or compromise liability of any Guarantor or any liability of any parties primarily or secondarily liable on any of the liabilities; and (c) extend, renew, or credit any of the liabilities for any period (whether or not longer than the original period).

Guarantors hereby covenant to comply with and abide by the restrictive covenants and non-disclosure provisions in the Franchise Agreement to the same extent and for the same period of time as Franchisee is required to comply with and abide by those covenants.

Guarantors' obligations shall survive termination, expiration, non-renewal, or transfer of the Franchise Agreement. Until all obligations of Franchisee to Egg N Bird have been satisfied, Guarantors' obligations shall remain in full force and effect without regard to, and shall not be released, discharged, modified, or affected by, any circumstance or condition (whether or not Guarantors have any knowledge or notice), including without limitation Franchisee's bankruptcy, insolvency, reorganization, composition, liquidation, or similar proceeding or condition. The remedies in this Guaranty shall be nonexclusive and cumulative of all other rights, power, and remedies provided under the Franchise Agreement or by law or in equity.

Guarantors waive presentment, demand, notice of dishonor, protest, nonpayment, notice of acceptance hereof, notice of all contracts and commitments, notice of the existence or creation of any liabilities under the Franchise Agreement or the amount and terms thereof, notice of defaults, disputes, or controversies resulting from the Franchise Agreement or otherwise, and the settlement, compromise, or adjustment thereof, as well as all other notices.

Guarantors shall pay all reasonable expenses incurred by Egg N Bird in attempting to enforce the Franchise Agreement or this Guaranty, including without limitation reasonable attorneys' fees, out-of-pocket expenses, and costs. Any waiver, extension of time, acceptance of partial payment, or other indulgence, if any, granted from time to time by Egg N Bird, its agents, successors, or assigns shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional, and irrevocable. No delay or failure of Egg N Bird in the exercise of any right, power, or remedy, or the exercise of any other right, power, or remedy shall be deemed a waiver of any right, power, or remedy. Guarantors intend that each of them shall remain liable hereunder as a principal until all obligations have been satisfied, regardless of any fact, act, event, or occurrence that might otherwise operate as a legal or equitable discharge of Guarantors.

The liability of each Guarantor shall be joint and several and primary. No Guarantor shall attempt to assign or delegate this Guaranty without the prior written consent of Egg N Bird, which consent may be withheld in the sole discretion of Egg N Bird, and no such attempt shall be effective except with such prior written consent.

This Guaranty shall be governed by and construed in accordance with the laws of the State of Texas. Each Guarantor hereby consents to the jurisdiction and venue of the federal and state courts located within the State of Texas and covenants to initiate no litigation or arbitration proceeding pertaining to this Guaranty in any venue outside such State.

This Guaranty is executed by each Guarantor on the date stated next to that Guarantor's name, and the Guaranty is effective for each Guarantor as of the earliest of such dates.

______________________ Witness Print Name: ______________	__________________ Guarantor, Individually Name:	____________ Date
______________________ Witness Print Name: ______________	__________________ Spouse of Guarantor Name:	____________ Date
______________________ Witness Print Name: ______________	__________________ Guarantor, Individually Name:	____________ Date
______________________ Witness Print Name: ______________	__________________ Spouse of Guarantor Name:	____________ Date

APPOINTMENT of AGENT of ASSIGNEE

In consideration of Egg N Bird's consent to the above Assignment, the undersigned, after receiving binding authorization from Assignee, agrees that ________________________ ("Agent of Assignee"), an individual, does and shall have the power and authority to act on behalf of Assignee in all matters affecting the subject Egg N Bird Store and the Franchise Agreement. The undersigned further agrees that the power or authority of Agent of Assignee shall not be revoked, canceled, restricted, or diminished, without prior written notice to Egg N Bird.

Assignee:
a

Date: ________________

By: ____________________________________
Name:
Title:

Date: ________________

By: ____________________________________
Name:
Title:

Exhibit R

Lease Rider

LEASE RIDER

THIS LEASE RIDER is made and entered into _____________, 20__ by and among _________________________, a _____________________________, whose principal place of business is ____________________ ("**Landlord**"), _______________________, a ___________ ________________________, whose principal place of business is ____________________ ("**Tenant**"), and Egg N Bird Franchising Inc., a Texas corporation, whose principal place of business is 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060 ("**ENB**").

RECITALS

A. This Lease Rider supplements and forms part of the attached Lease Agreement between Landlord and Tenant dated __________ (the "**Lease**") for the premises situated at ____________ (the "**Premises**") to be used by Tenant as an Egg N Bird® store.

B. This Lease Rider is entered into in connection with ENB's approval of the location of the Premises as an Egg N Bird® store and the grant of a franchise to Tenant pursuant to a Franchise Agreement dated __________, 20__ (the "**Franchise Agreement**").

C. This Lease Rider is intended to provide ENB the opportunity to reserve the Premises as an Egg N Bird® store under the circumstances set out below.

D. Landlord is willing to grant ENB the right but not the obligation to assume the Lease of the Premises on the terms, covenants and conditions contained in this Lease Rider.

Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all of the parties hereby agree that the terms and provisions of the Lease are amended and, to the extent they are contrary, superseded as follows:

1. UPON DEFAULT OF TENANT UNDER THE LEASE

Landlord shall send to ENB copies of each and any notice of default under the Lease provided to Tenant concurrently with the provision of such notice(s) to Tenant. If Tenant fails to cure any default(s) within the period specified within the notice, Landlord shall promptly provide to ENB further written notice (a "second notice") specifying the default(s) that Tenant has failed to cure. ENB shall have ten (10) business days following receipt of the second written notice to exercise its right to assume Tenant's rights and obligations under the Lease and begin paying rent concurrent with Landlord's delivery of possession of the Premises to ENB, which delivery Landlord shall make every commercially reasonable effort to promptly accomplish. If Landlord is unable to deliver possession of the Premises to ENB within sixty (60) days following the date of ENB's exercise, ENB shall thereafter have the right, at any time, until the Landlord delivers possession of the Premises to ENB, to rescind the option exercise and Lease assumption by written notice to Landlord.

Tenant shall remain liable to Landlord for all payment and other obligations accrued under the Lease prior to Landlord's delivery of possession to ENB.

2. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if Tenant does not timely exercise such right(s), Landlord promptly shall give ENB written notice to such effect and ENB shall have the option for fifteen (15) days following receipt of such notice to exercise Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If ENB elects to exercise such right(s) it shall notify Landlord in writing whereupon Landlord and ENB shall promptly execute and exchange an agreement whereby ENB assumes the Lease for the renewal or extension term as applicable effective at the later of the date of expiration of the Lease or the end of any holding over period by Tenant to the effect that such extension or renewal term shall have subtracted from its beginning the number of days constituting any such holding over period. If Landlord is unable to deliver possession of the

Premises to ENB within sixty (60) days following the date of expiration of the Lease (which delivery Landlord shall make every commercially reasonable effort to promptly accomplish), ENB shall thereafter have the right, at any time, until the Landlord delivers possession of the Premises to ENB, to rescind the option exercise and assumption of Lease by written notice to Landlord.

3. UPON TERMINATION OF THE FRANCHISE AGREEMENT

Termination of the Franchise Agreement for any reason shall constitute a default of Tenant under the Lease. If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if ENB shall desire and commitment to assume the Lease, ENB shall provide Landlord written notice to such effect within five (5) business days of the effective date of termination of the Franchise Agreement, which commitment shall be subject to Landlord's timely delivery of possession to ENB (which delivery Landlord shall make every commercially reasonable effort to promptly accomplish). If Landlord is unable to deliver possession of the Premises to ENB within sixty (60) days following the date of ENB's written confirmation, ENB shall thereafter have the right, at any time, until the Landlord delivers possession of the Premises to ENB, to rescind the assumption of the Lease by written notice to Landlord.

4. ADDITIONAL PROVISIONS

4.1 ENB, upon taking possession of the Premises under any of Sections 1, 2 or 3 above shall execute and deliver to Landlord ENB's assumption of Tenant's rights and obligations under the Lease starting from the day of delivery of possession to ENB. ENB shall pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant; provided, however, ENB may elect not to be bound by the terms of any amendment to the Lease executed by Tenant without ENB's prior written approval, which approval shall not be unreasonably withheld or delayed.

4.2 Notwithstanding any assignment of the Lease to ENB, Tenant shall be and remain liable to Landlord for all of its obligations under the Lease. ENB shall be entitled to recover from Tenant all amounts ENB pays to Landlord to cure Tenant's defaults under the Lease including interest thereon and ENB's reasonable collection costs.

4.3 In the event ENB assumes Tenant's interest under the Lease, ENB may at any time sublet the Premises to a ENB franchisee without having to obtain the prior written consent of Landlord.

4.4 In the event ENB assumes Tenant's interest under the Lease, ENB may at any time assign its interest under the Lease to a qualified third party subject to the prior written consent of Landlord in accordance with the applicable provisions of the Lease, or to a ENB franchisee. Upon receipt by Landlord of an assignment agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease, ENB shall be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by Landlord, subject to fulfillment of any one of the following conditions: a) the assignee (or any owner of assignee providing a guaranty of assignee's obligations under the Lease) has a net worth of not less than $250,000, as certified to Landlord in writing by an officer of the assignee or the guarantying owner, as applicable, OR b) assignee performs its obligations under the Lease without material default for the twelve (12) consecutive months immediately following assignee's taking of possession of the Premises, OR c) the assignee is a ENB franchisee.

In the event ENB enters into an assignment or sub-letting as contemplated above, it will make commercially reasonable efforts to procure, if the assignee is a business organization (other than a listed public company), a guaranty in customary form approved or prepared by Landlord from the principals of the assignee.

4.5 If the Lease or Franchise Agreement is terminated and ENB fails to exercise timely its applicable option as described above, Tenant shall, upon written demand by ENB to de-identify the Premises as a ENB store, promptly remove all signs, decor and other items that ENB requests be removed as being distinctive and indicative of a ENB store. ENB may enter upon the Premises without being guilty of trespass or tort to effect de-identification if Tenant fails to complete such de-identification within five (5) business days after receipt of written demand from ENB. Tenant shall pay ENB for ENB's reasonable costs and expenses in effecting the de-identification. Tenant acknowledges and agrees that its obligations to Landlord in respect to the provisions of the Lease concerning the removal of signage, additions and alterations at the termination of the Lease shall remain in full effect notwithstanding the right made available to ENB pursuant to this provision.

4.6 ENB may from time to time make reasonable request for certain information or reports from Landlord regarding the Lease, including with respect to rental, CAM and other charges to Tenant, rental, CAM reimbursement, and other payments from Tenant, performance of Tenant, etc. Landlord shall provide the requested information and reports to ENB within a reasonable time not to exceed twenty (20) days, and Tenant hereby consents to Landlord's provision of any and all such information and reports to ENB.

4.7 The Premises may be used for any lawful commercial retail purpose that does not breach any exclusivity of use commitment granted by Landlord to a third party prior to notice from Tenant to Landlord of Tenant's then intended use.

4.8 Landlord shall not permit or suffer any other occupant of the center within which the Premises are located to operate a business featuring egg or chicken sandwiches, including without limitation, chicken bowls, breakfast burritos, etc.

4.9 Throughout the term of the Lease, for the use and convenience of Lessee's customers, without additional charge, Landlord shall allow Tenant to provide legally compliant seating, tables, mobile umbrellas, etc. in the common area immediately outside the Premises with a width of approximately twelve (12) feet and running the length of the Store's frontage. Tenant shall maintain such area at its expense.

4.10 All notices pursuant to this Lease Rider shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses described above or to such other address as any party to this Lease Rider may, by written notice, instruct that notices be given.

4.11 By executing this Lease Rider, ENB does not assume any liability with respect to the Premises or any obligation as tenant or otherwise under the Lease unless and until ENB expressly assumes in writing such liability or obligation as described above.

EXECUTED by the parties as follows:

Landlord: ______________________________
By ______________________________
Name ______________________________
Title ______________________________

Tenant: ______________________________
By ______________________________
Name ______________________________
Title ______________________________

ENB: ______________________________
By ______________________________
Name ______________________________
Title

State Effective Dates

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

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

State	Effective Date
California	February 2, 2022 as amended
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT S TO DISCLOSURE DOCUMENT
RECEIPT
(Franchisee's Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO US OR AN AFFILIATE OF OURS.

NEW YORK REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE THE EXECUTION OF THE FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATES TO THE FRANCHISE RELATIONSHIP.

SEVERAL STATES INCLUDING MICHIGAN REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE ADMINISTRATOR LISTED IN EXHIBIT A TO THE DISCLOSURE DOCUMENT.

The franchisor is Egg N Bird Franchising Inc. 1220 West Trinity Mills Road Suite 212 Carrollton, Texas 75060. (949) 265-8000

The franchise seller for this offering is:

Kimberly Bryant, at 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060, (949) 265-8000.
Amanda Milikan, at 1220 West Trinity Mills Road Suite 212, Carrollton, Texas 75060, (949) 265-8000.
☐ ____
☐ ____

Issuance Date: January 28, 2022, as amended March 16, 2022

I received a disclosure document dated January 28, 2022, as amended March 16, 2022, that included the following Exhibits:

A.	State Administrators and Agencies and Agents for Service of Process	L.	Area Development Agreement
B.	State Specific Addenda	M.	Table of Contents of Confidential Operation Manual
C.	Financial Statements	N.	List of Franchised and Company Owned Locations as of December 31, 2021, and List of Franchisees Who Were Terminated, Cancelled or Not Renewed or Who Otherwise Voluntarily or Involuntarily Ceased to Do Business in the Year Ending December 31, 2021

D.	Franchise Application Form	O.	Addendum to Egg N Bird Franchising Inc. Franchise Agreement for Remainder of Term
E.	Franchise Agreement	P.	Renewal Addendum to Franchise Agreement
F.	Authorization for Prearranged Payment		
G.	Franchise Owner Photography Release	Q.	Assignment of Egg N Bird Franchising Inc. Franchise Agreement and General Release
H.	Limited Construction Project Management Agreement	R.	Lease Rider
I.	Personal Guaranty	S.	Receipt
J.	Non-competition and Non-disclosure Agreement		
K.	General Release		

Date: ________________

____
PROSPECTIVE FRANCHISEE

____
(Print Name)

K**eep this copy for your records**.

RECEIPT
(Franchisor's Copy)

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K.	General Release		

Date: _________________

____
PROSPECTIVE FRANCHISEE

____
(Print Name)

K**eep this copy for your records**.