FRANCHISE DISCLOSURE DOCUMENT

Regent Subs Franchise LLC
A Wisconsin Limited Liability Company
5936 Seminole Centre Court #100
Fitchburg, WI 53711
(608) 284-7638
www.milios.com

We grant you the right to operate a MILIO'S® Restaurant. Your Restaurant will offer for sale a wide variety of sandwiches, wraps and other products and beverages.

The total investment necessary to begin operation of a single MILIO'S Restaurant ranges from $145,500 to $365,800 for convenience store locations and from $256,300 to $504,500 for in-line or free-standing locations. This includes $15,300 to $26,800 that must be paid to us or our affiliates.

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

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 contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information on franchising.

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

Issuance date: April 30, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
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 B 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 MILIO'S 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 a MILIO'S franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

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B. FINANCIAL STATEMENTS
C. FRANCHISE AGREEMENT (INCLUDING APPENDICES A (Trademarks), B (Designated Area), C (Addendum to Lease), D (Electronic Transfer of Funds Authorization), (E) Personal Guarantee), (F) Ownership and Management Addendum, and (G) Acknowledgement Addendum))
D. LIST OF RESTAURANTS
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we" or "us" means Regent Subs Franchise, LLC the Franchisor. "You" means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, "you" also may mean its owners.

The Franchisor, and any Parents, Predecessors and Affiliates

We are a Wisconsin limited liability company formed on August 17th, 2020. Our principal place of business is at 5936 Seminole Centre Court #100 Fitchburg WI 53711; (608) 284-7638; www.milios.com. We do business under the name "MILIO'S®" or "MILIO'S Sandwiches®."

Our predecessor is Big Mike's Super Subs Franchise Systems, Inc. (our "Predecessor"), a Wisconsin corporation formed on April 22, 2003. Together with its parent Milio's Sandwiches Inc. and an affiliate Big Mike's Super Subs of Wisconsin, Inc., our Predecessor and these affiliates operated MILIO'S® restaurants (formerly known as "Big Mike's Super Subs") since March 1989. Our predecessor and its parent and affiliates did not operate any other restaurants other than MILIO'S® /Big Mike's restaurants.

We have one affiliate, Milios Subs Forever, LLC ("MSF") which is a Wisconsin limited liability company formed on August 17th, 2020. MSF owns and operates 13 MILIO'S restaurants and maintains its principal place of business at 5936 Seminole Centre Court #100 Fitchburg, WI 53711, phone (608) 284-7638.

Our agents for service of process are disclosed in Exhibit A to this Disclosure Document.

Our Business Experience

We began offering franchises in August 10, 2023, and have not offered franchises in any other line of business. We also have not operated MILIO'S® restaurants. MSF has owned and operated restaurants similar to those being franchised since October 2020. It does not offer any products or services to franchisees, and it has not or does not offer franchises in any line of business. The restaurants that MSF operates are substantially similar to the MILIO'S Restaurant you will operate.

The Franchise

We grant you the right to operate a MILIO'S franchised Restaurant (the "Restaurant").

Your Restaurant will offer for sale a wide variety of sandwiches, wraps and other products and beverages ("Menu Items"). In addition, your Restaurant will offer carry out dining and also may offer on-premises dining and/or delivery, depending on your location. We also may permit franchisees to offer drive-thru services. You must prepare the Menu Items in accordance with our specified recipes and serve in accordance with our specified standards. Each Franchised Restaurant operates under the name MILIO'S and other marks as we designate ("Marks").

You must operate your Restaurant under the MILIO'S system ("System"). The System is characterized by design, signs, decor, furnishings, recipes, procedures and techniques, all of which we may change. Your Restaurant typically will have approximately 600 to 2,000 square feet with seating capacity varying from zero to 75 people.

We offer a program which allows for deferred payment of part of the Initial Franchise Fee to franchisees willing to commit to open up to three Restaurants. You do not sign any form of development agreement for the three Restaurants.

The Market and Competition

Your Restaurant will offer food products to the general public and the sales are not seasonal. Your competitors include other restaurant businesses offering similar food products, including national or regional franchise systems and other chains. The market for restaurants similar to your Restaurant is well developed and very competitive.

Licenses and Permits

In addition to laws and regulations that apply to businesses generally, your Restaurant will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act; storage, preparation and sale of food products including meat products; and health, sanitation and safety regulations relating to food service. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities. You must comply with these laws and other laws that apply to businesses generally. You must also comply with all payment card industry (PCI) data security standards.

ITEM 2
BUSINESS EXPERIENCE

Timm Heller- CEO and Managing Member

Timm has served as our CEO and a Managing Member since inception in October 2020. He also has served as CEO for our affiliate MSF from October 2020 to December 2022. Since March 2008, Timm has been a MILIO'S franchisee with restaurants in Madison, Monona, Sun Prairie, and Mount Horeb, Wisconsin.

Todd Mancusi- Director of Marketing and Managing Member

Todd has served as our Director of Marketing and a Managing Member since our inception in October 2020. From March 1990 to October 2020, he was a Managing Member of T&T Treats LLC, a Dairy Queen franchisee based in Madison, Wisconsin.

Gerard Helminski – President Regent Subs Franchise, LLC.

Gerard has been our President since our inception in October 2020. He has been part of the MILIO'S franchise team since March 2000, serving as Director of Franchise Operations for our Predecessor from January 2011 to October 2020, and having previously served as a Franchise

Consultant from July 2004 through December 2010. Gerard oversees food safety and food procurement for the Milio's Sandwiches system.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

If you purchase a single franchise, you must pay to us an Initial Franchise Fee of $15,000 when you sign a Franchise Agreement. The Initial Franchise Fee is a lump sum payment, fully earned upon receipt, and is not refundable. We will use the Initial Franchise Fee in part to cover the direct and indirect costs associated with you purchasing and opening a Restaurant including training, manuals, opening assistance, legal fees and general overhead.

We also offer a program which allows for deferred payment of part of the Initial Franchise Fee to franchisees willing to commit to open up to 3 Restaurants. The total Initial Franchise Fee for this program is $38,000 (i.e., $15,000 Initial Franchise Fee for the first Restaurant, $13,000 Initial Franchise Fee for the second Restaurant and $10,000 for the third Restaurant). You will sign all 3 Franchise Agreements at the same time and pay $26,500 at the time of signing ($15,000 for the Initial Franchise Fee for the first Restaurant, $6,500 for the first installment of the second restaurant, and $5,000 for the first installment of the third restaurant). You will be required to open your first Restaurant within 120 days after the date the Authorized Location is designated. This designation must take place within 90 days of execution of the Franchise Agreement. You will be required to open your second Restaurant 9 months after the opening of your first Restaurant. You will be required to pay an additional $6,500 of the Initial Franchise fee at the time you sign a lease or otherwise secure a site for the Authorized Location of your second Restaurant. You will be required to open your third Restaurant 18 months after the opening of your first Restaurant. You will be required to pay the remaining $5,000 of the Initial Franchise fee at the time you sign a lease or otherwise secure a site for the Authorized Location of your third Restaurant. If you enter into multiple Franchise Agreements in order to defer portions of the Initial Franchise Fee, as described in this paragraph, the Initial Franchise Fee is not refundable under any circumstances.

In addition to the above program, we will reduce the Initial Franchise Fee for existing franchisees if they decide, during the term of a Franchise Agreement with us, to open one or more additional Restaurants. If an existing franchisee seeks to open an additional Restaurant, we will reduce the Initial Franchise Fee to $13,000 for the franchisee's second Restaurant and further reduce the Initial Franchise Fee to $10,000 for the franchisee's third Restaurant, both of which are payable in lump sum upon execution of the then-current form of Franchise Agreement.

You also will pay to us approximately $300 for initial office supplies and other similar pre-opening items. This amount is a lump sum, nonrefundable amount and paid prior to your opening of the Restaurant.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales (Note 2)	Paid by electronic funds transfer every Wednesday for the preceding Reporting Period (Note 3)	Interest due and payable if insufficient funds to pay the fee when due (Note 3).
Marketing Fee (Note 4)	3.5%-5% of Gross Sales (Note 2)	Paid by electronic funds transfer every Wednesday for the preceding Reporting Period (Note 3)	We will contribute the same amount for each similarly situated company or affiliate-owned restaurant in the same local marketing area (except "Special Site" Restaurants).
Local Marketing (Note 5)	1.5% - 3% of Gross Sales (not required as of the date of this Disclosure Document; may be required in the future)	Periodically	If we designate a local advertising market, you must direct your local advertising expenditure to the cooperative programs.
Audits	Cost of audit plus interest at the maximum rate allowable by law (not to exceed 1½% per month)	Immediately upon receipt of bill	You pay for cost of audit if it shows an understatement of your Gross Sales.
Transfer Fee	½ of the then-current Initial Franchise Fee	Upon application for consent to transfer	Payable when you transfer your franchise.
Computer Maintenance and Updates	$800 to $1,500	Annually	Payable to vendor of the hardware or licensor of software.
Point of Sale Cash register system	$300 to $395	Monthly	Payable to Vendor
Remodeling (Note 6)	Not more than $100,000 during the term of the Franchise Agreement (amounts adjusted for change in the Consumer Price Index)	As remodeling occurs	Remodeling does not include general maintenance and refreshing.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Late Fee	$50 for each delinquent report or payment	Automatically upon next electronic transfer of funds	
Additional Assistance/Training (Note 7)	$250 (in Madison) or $500 (at your Restaurant) per day per person plus expenses	Immediately upon receipt of bill	We provide opening assistance at no cost. See Item 11.
Insurance (Note 8)	$7,500 to $9,200 for annual premiums	When premiums are due	See Items 7 and 8 for more information on insurance.
Supplier Review Fee	$500 per day plus expenses	As incurred	See Item 8 for more information on supplier approval.
Recruitment Fee	$25,000 plus attorneys' fees and expenses	As incurred	Payable if you hire an employee of ours or another franchisee.

Notes:

(1) Except as noted below, all fees are uniformly imposed and payable to us. All fees are non-refundable.

(2) Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, including any vending or similar activities in your Restaurant or on its premises. Gross Sales also includes total revenue derived from delivery service, catering or from operating at authorized special events or other authorized off-site sales. Gross Sales does not include sales tax. In addition, you will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as the result of or accrual of any fees payable by you to us under this Agreement. You will pay to us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

(3) Reporting Period means the period from Monday to Sunday (unless we designate otherwise). If there are insufficient funds from which to pay the fee when due, the amount due will bear interest at the highest applicable legal rate up to a maximum of 1½% per month from the date due.

(4) The Marketing Fee is paid to us for deposit in a Marketing Fund. As of the date of this Disclosure Document, the Marketing Fee is 3.5% of Gross Sales. We may increase the Marketing Fee up to a maximum of 5% of Gross Sales upon 30 days' notice. Any increase in the Marketing Fee above 3.5% will result in a corresponding decrease to the 1.5% local marketing requirement. See Item 11 for more information on marketing.

(5) If we designate a local advertising market, each Restaurant, including our company and affiliate-owned (excluding Special Sites, defined in Item 12) will be a member of the local group. Each Restaurant will have one vote per Restaurant. If a majority of the Restaurants in a local advertising market are company or affiliate-owned, we will have majority voting power. Further, if a majority votes to spend more than 1.5% of Gross Sales, you must participate, although you will not be required to spend more than 3% of Gross Sales for local marketing.

(6) You pay remodeling costs directly to third party vendors or contractors. The $100,000 maximum on remodeling during the term of the Franchise Agreement does not include amounts that you must spend to remodel your Restaurant upon renewal.

(7) If we schedule your opening and the Restaurant is not ready to open as scheduled, you are responsible for the costs to change/adjust travel arrangements for the opening crew and all related expenses.

(8) This estimate includes comprehensive general liability insurance, automobile liability and other forms of required insurance. You pay insurance premiums directly to third party insurers.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (In-Line/Free-Standing Location)	Amount (C-Store Location)	Method of Payment	When Due	To Whom Payment is to be made
Initial Franchise Fee (Note 1)	$15,000 - $26,500	$15,000 - $26,500	Lump Sum	Upon Signing of Franchise Agreement	Us
Leasehold Improvements (Note 2)	$105,000 to $240,000	$30,000 to $160,000	As Arranged	As Arranged	Contractors
Furniture, Fixtures and Equipment (Note 3)	$80,000 to $120,000	$45,000 to $85,000	As Arranged	As Arranged	Approved Suppliers
Signage	$5,000 to $12,000	$6,000 to $9,000	As Incurred	As Incurred	Approved Suppliers
Computer POS System (POS Register)	$3,500 to $6,000	$3,500 to $6,000	As Incurred	As Incurred	Approved Suppliers
Rent (Note 4)	$2,000 to $7,500	$1,500 to $5,000	As Arranged	As Arranged	Lessor
Lease & Utility Security Deposits (Note 5)	$0 to $10,000	$0 to $4,000	As Arranged	Before Opening	Lessor and Utility Companies
Initial Inventory (Note 6)	$6,000 to $8,500	$6,000 to $8,500	Lump Sum	Upon Delivery of Inventory	Approved Suppliers
Insurance (Note 7)	$1,300 to $2,500	$1,300 to $2,300	As Arranged	As Arranged	Insurance Company
Training (Note 8)	$7,500 to $9,500	$7,500 to $9,500	As Incurred	As Incurred	Transportation Lines, Hotels, Restaurants

Type of Expenditure	Amount (In-Line/Free-Standing Location)	Amount (C-Store Location)	Method of Payment	When Due	To Whom Payment is to be made
Grand Opening Advertising/Marketing (Note 9)	$2,500 to $5,000	$2,500 to $5,000	As Incurred	As Incurred	Media, Printers, Other Suppliers
Branding Package	$2,500 to $4,000	$1,200 to $3,000	As Arranged	As Arranged	Approved Suppliers
Office Equipment and Supplies (Note 10)	$1,000 to $3,000	$1,000 to $2,000	As Incurred	As Incurred	Approved Suppliers
Professional Fees and Business Licenses and Permits	$5,000 to $10,000	$5,000 to $10,000	As Arranged	As Arranged	Your Attorneys and Other Professionals, Local and State Agencies
Additional Funds (Note 11) (3-month period)	$20,000 to $40,000	$20,000 to $30,000	As Incurred	As Incurred In First Three Months	Employees, Suppliers
TOTAL (Note 12)	$256,300 to $504,500	$145,500 to $365,800			

Notes:

* Except where otherwise noted, we do not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amounts that you pay to us or our affiliates are nonrefundable. Third party suppliers will decide if payments to them are refundable.

(1) Initial Franchise Fee. The standard Initial Franchise Fee is $15,000. We offer a program which allows for deferred payment of part of the Initial Franchise Fee to franchisees willing to commit to open up three Restaurants. As noted in Item 5, the total Initial Franchise Fee for this program is $38,000, $26,500 of which is due when you sign the Franchise Agreements for the three Restaurants. You will sign all three Franchise Agreements at the same time. Further, we may reduce the Initial Franchise Fee to either $13,000 or $10,000 for existing franchisees who, during the term of a Franchise Agreement with us, seek to open one or more additional locations.

(2) Improvements. The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of leasehold improvements required, the local cost of contract work and the location of your Restaurant. The estimate includes your architectural and engineering fees.

(3) Furniture, Fixtures and Equipment. The manuals list the furniture, fixtures and equipment necessary for the operation of a Restaurant and include refrigerators, freezers, tables, chairs and other equipment, furniture and fixtures. See Item 8. This amount also includes the $300 for initial office supplies and other similar items as referenced in Item 5. The initial investment required will depend on financing terms available and other factors.

(4) Rent. You typically will rent the premises for your Restaurant. The estimate is for your rent in the first month and does not include an estimate of monthly operating expenses.

The rental expense may vary widely based on geographic location, size of the facility, negotiating factors, local rental rates, and other factors.

(5) Lease & Utility Security Deposits. Landlords may require a security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, electricity and related utility services. A typical utility security deposit is one month's expense. A typical lease deposit will be an amount equal to one month's rent. These deposits may be refundable in accordance with the agreements made with the utility companies and landlord.

(6) Initial Inventory. Your initial inventory must be purchased from approved suppliers or in accordance with our specifications as is further described in Item 8 of this Disclosure Document. Initial inventory consists of various food products, beverages, paper products, cleaning supplies, and other supplies used in the operation of the Restaurant as well as other merchandise or products sold by the Restaurant. The initial inventory expenditure will vary according to anticipated sales volume and current market prices for supplies.

(7) Insurance. You must procure and maintain throughout the term of the Franchise Agreement insurance in such amounts as set forth in the Franchise Agreement. The estimate is for approximately 25% of an annual premium. The balance of the annual premium is generally payable over a 9-month period. The cost of insurance will vary based on policy limits, type of policies procured, any lease requirements, nature and value of physical assets, number of employees, square footage, contents of the business, geographical location and other factors bearing on risk exposure.

(8) Training. You must make arrangements and pay the expenses for you and one other person to attend our training program, including transportation, lodging, meals and wages. Prior to becoming a franchisee we may request that you work in a restaurant as a non-employee. The expenses for this in-restaurant observation opportunity are included in the estimate of training costs. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates initial training of 2 people for approximately 4 weeks.

(9) Grand Opening. You must conduct your "grand opening" advertising and promotion according to our written specifications. These amounts generally will be spent prior to and through the first 45 days of operation of your Restaurant, although in certain instances we will recommend a delay in grand opening promotional activities based on the weather or other related reasons.

(10) Office Equipment and Supplies. Before beginning operations, you must purchase an assortment of office equipment and supplies as prescribed in the manuals. Items include a business computer, telephones and facsimile machine.

(11) Additional Funds. This amount of working capital is projected as sufficient to cover initial operating expenses, including management salaries, for a period of 3 months. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Expenses not included are hourly labor costs, food and product costs and rent. Your costs will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience and business

acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period.

(12) Total. We have used our Predecessor more than 35 years of experience in the business and that of our tenured staff to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the MILIO'S system, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must consent to the location of your Restaurant. We also must approve any lease for the Restaurant premises. You must construct and equip your Restaurant in accordance with our then current approved design, specifications and standards. In addition to meeting our design specifications and standards, it is your responsibility to ensure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for a restaurant point-of-sale cash register system), signage, fixtures, furnishings, products, ingredients, supplies and marketing materials that meet our specifications and standards.

Designated Sources

You must use one of our approved architects and contractors. Neither we nor our affiliates derive any revenue from your use of these approved service providers. As noted in Items 5 and 7, you will purchase from us initial office supplies and other similar pre-opening items. We currently make those items available to you at our cost plus a nominal markup. Except for these required purchases, you are not required to purchase or lease any other goods or services for the operation of the Restaurant from us, our affiliates or from designated sources.

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Restaurant ("Approved Supplies List"). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment, and you may purchase the specific product from any source that carries the specific approved products. For example, as of the date of this Disclosure Document, you must purchase all food products used in the preparation of menu items at the Restaurant from Sysco Foods. From time to time we, our affiliates or a third party vendor or supplier may be the only approved supplier for certain products, and you will pay the then-current price in effect for such products. We and our affiliates may derive revenue from items or services that we sell to you by charging more than cost. The lists also may include other specific products

without reference to a particular manufacturer, or they may set forth the specifications and/or standards for other approved products. We establish and modify specifications and/or standards for approved products based on our ongoing review of using quality products through our affiliates' operation of their restaurants and our communications with manufacturers and suppliers; based on those ongoing events we may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable. We generally do not give these lists to approved suppliers.

Before using, you must notify us in writing if you want to offer for sale at the Restaurant any brand of product, or to use in the operation of the Restaurant any brand of food ingredient or other material, item or supply that is not then approved by us, or to purchase any product from a supplier that is not then designated by us as an approved supplier. If requested by us, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 30 days of our receipt of all the information and samples we request. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test (cost currently estimated to be $500 per day). The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: 1) ability to make product in conformity with our specifications; 2) willingness to protect the secrets behind the uniqueness of a product without dissemination to others; 3) production, supply considerations and delivery capability; 4) reputation and integrity of supplier; and 5) financial condition and insurance coverage of the supplier.

One exception to alternative sourcing is fountain drinks and other soft drink beverages. Pepsi soft drinks are on the Approved Supplies list. You may buy Pepsi soft drinks from whatever supplier you select, provided that supplier can deliver consistently the full line of Pepsi products. Certain funds are paid to us by Pepsico. Some of these funds are used for general and in-store advertising and promotions throughout the System and some are retained by us. These funds are included in our revenues as noted below.

Neither we nor our affiliates are currently approved suppliers for any products. Other than our officers who have an ownership interest in our affiliate MSF, none of our officers own any interest in any of our approved suppliers.

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of goods, products and services as described in this Item 8. Most of these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor. We also will derive revenue from items we sell directly to you by charging you more than our cost. During our year ending December 28, 2025, we received supplier rebates totaling $48,673.27 on franchisee purchases and $67,395.88 on affiliate MSF-owned and operated Restaurants for a total of

$116,069.15, which is approximately 15.4% of the combined total revenues for 2025 of $752,945 as noted in the audited financial statements referenced in Item 21.

We may negotiate prices for products for the benefit of the System but not on behalf of individual franchisees. There is no purchasing or distribution cooperative. We will try to receive volume discounts for the System. We do not provide material benefits to you because of your use of approved suppliers.

You must carry insurance policies protecting you, us and our affiliates. The insurance policies must include, at a minimum: (i) special/causes of loss coverage forms (sometimes called "All Risk coverage") on the Restaurant and all fixtures, equipment, supplies and other property used in the operation of the Restaurant; (ii) business interruption insurance covering a minimum 12 months loss of income, including coverage for our Continuing Fees with us named as a loss payee with respect to those fees; (iii) comprehensive general liability insurance, including product liability insurance, with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate; (iv) automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of $1,000,000 per claim; (v) workers' compensation and employer's liability insurance covering all of your employees; (vi) umbrella liability insurance which also includes employers liability and automobile liability, with minimum limits of $2,000,000 per occurrence and (vii) any other such insurance coverages or amounts as required by law or other agreement related to the Restaurant.

You can expect items purchased or leased in accordance with our specifications will represent approximately 90% of total purchases you will make to begin operations of the business and 25% to 30% of the ongoing costs to operate the business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2A and 5A	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5A-B, 5F and 6B-D	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 5A and 5B	Items 7, 8 and 11
d.	Initial and ongoing training	Sections 7B and 7C	Items 5, 6 and 11
e.	Opening	Sections 2C and 5A; Addendum to Franchise Agreement	Items 5 and 11
f.	Fees	Sections 9A-C; Addendum to Franchise Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Sections 6A-O	Items 6, 7, 8, 11, 14 and 16

	Obligation	Section in Agreement	Disclosure Document Item
h.	Trademarks and proprietary information	Sections 3A-E, 6J and 6M	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2D and 6A-C	Items 6, 7, 8, 11, and 16
j.	Warranty and customer services requirements	Sections 6I and 7D	Items 6 and 11
k.	Territorial development and sales quotas	None	Item 12
l.	Ongoing product/service purchases	Sections 6A-C	Items 6, 7 and 8
m.	Maintenance, appearance and remodeling requirements	Sections 5B-E	Items 8 and 11
n.	Insurance	Section 10C	Items 6, 7 and 8
o.	Advertising	Sections 8A-F and 9C	Items 6, 7 and 11
p.	Indemnification	Section 10B	None
q.	Owner's participation/ management/staffing	Sections 7A-E	Items 11 and 15
r.	Records/reports	Sections 9D, 9G and 9H	None
s.	Inspections/audits	Sections 5C, 6G and 9H	Items 6 and 11
t.	Transfer	Sections 11A-G	Items 6 and 17
u.	Renewal	Sections 3A-B	Items 6 and 17
v.	Post-termination obligations	Sections 14A-C	Item 17
w.	Non-competition covenants	Section 10D	Item 17
x.	Dispute resolution	Sections 12A and 12B	Item 17
y.	Other	Not applicable	Not applicable

ITEM 10
FINANCING

We do not offer, either directly or indirectly, any financing to you. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing. We do not guarantee your notes, leases or other obligations.

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

Except as listed below, Regent Subs Franchise, LLC is not required to provide you with any assistance.

Pre-Opening Assistance: Before you open your Restaurant, we will:

1. Provide you with site selection guidelines and general building and design requirements for your Restaurant (Franchise Agreement, Sections 5A and B).

2. Provide you with the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).

3. Provide you with either a written copy or an electronic copy of the manuals that detail the specifications and procedures incidental to the operation of the Restaurant (Franchise Agreement, Section 6I).

4. Approve all grand opening promotional materials and advertising to be used by you (Franchise Agreement, Sections 8B and F).

5. Provide the training programs described below (Franchise Agreement, Sections 7B and C).

Ongoing Assistance. During the operation of your Restaurant, we will:

1. Maintain the Marketing Fund (Franchise Agreement, Section 8A).

2. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).

3. Make periodic visits to your Restaurant as we reasonably determine to be necessary to provide consultation and guidance. Your General Manager must be present during these visits. We will advise you of any problems arising out of the operation of your Restaurant as disclosed by the report or by our inspection (Franchise Agreement, Section 6G).

4. Provide refresher training courses, as we determine necessary and require you to attend. We provide these training programs without charge; however, you must pay all expenses for you and your employees, including training materials, travel and living expenses (Franchise Agreement, Section 7C).

Marketing

As of the date of this Disclosure Document, you pay a Marketing Fee of 3.5% of your Gross Sales to a marketing and development fund (the "Fund") that we establish. We may increase the amount of the Marketing Fee by an additional 1.5% upon 30 days' written notice to you. Any increase in the Marketing Fee above 3.5%, however, will result in a corresponding decrease to the 1.5% local marketing requirement, described below.

We will administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. We may use the Fund for (1) broadcast, print or other advertising; (2) the creation, development and production of marketing, advertising and promotional materials, including point of purchase materials, ad slicks, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising; (3) any marketing or related research and development; (4) developing, maintaining and hosting a MILIO'S web site, extranet and intranet system and any other online communication systems; and (5) advertising and marketing expenses, including product and food research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet/extranet system, internet access provider costs, subscriptions to industry newsletters or magazines, and administrative and overhead costs and salaries for marketing support personnel.

We determine the use of the monies in the Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your Restaurant is located. We oversee the marketing program and use the Fund to conduct national, regional or local advertising. We are not required to spend or direct all or any portion of the Fund to advertising or marketing in your Designated Area. We will contribute to the Fund amounts equal to your required percentage for each similarly situated company-owned and affiliate-owned restaurant, except those located at "Special Sites" (as defined in Item 12). From time to time we may contribute to the Fund some amounts paid to us by outside suppliers. We will prepare an annual accounting of the Fund and will make it available for your review upon your request. We reserve the right to contract with an advertising agency of our choosing or perform all or part of marketing our brand in-house. We may be paid for reasonable administrative costs and overhead incurred in administering the Fund.

During our 2025 fiscal year, we used the Marketing Fund as follows:

Creative	7.64%
Production	6.70%
Charity	4.19%
Promotional/Giveaway	1.22%
Gift Cards	0.61%
Web and Software	4.99%
Social	3.40%
Traditional Advertising	20.23%
Local Store Fund	14.43%
Digital Advertising	22.58%
General/Administration	14.03%
TOTAL	100%

Although we currently do not do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged. We have established a Franchisee Advisory Council ("FAC"). We may consult with the FAC as to advertising and marketing activities. The FAC meets annually and acts as an advisory body and is not involved in making decisions on advertising and marketing activities. Those decisions are reserved to us.

Although we currently do not do so, we reserve the right to require each store to spend up to an additional 1.5% of your Gross Sales on local marketing, advertising and promotion. You may only use your own marketing material if we have approved it before its use. We may establish local marketing groups or cooperatives to which you may be required to contribute your local marketing expenditures. If a majority of the Restaurants in your designated marketing area vote to spend more than 1.5% of Gross Sales on marketing, advertising and promotion, you will participate, but you will not be required to spend more than 3% of your Gross Sales on local marketing, advertising and promotion. If a majority of the Restaurants in a local advertising market are company or affiliate-owned, we will have majority voting power.

You must maintain a business phone and advertise continuously in the yellow pages or classified section of a local telephone directory (no display ads are required currently), the cost of

which will not count toward your local marketing requirement. You must obtain our approval of all promotional and advertising materials before use.

We will not use any of the marketing funds for the solicitation of franchise sales.

Information System

You must record all sales on information systems that we have approved. The information system is defined as the electronic cash registers and all hardware, software and data used to record and analyze sales, labor, inventory, product usage, site selection guidelines and tax information. As of the date of this Disclosure Document, the information system includes a new customer app platform. We reserve the right to designate changes or enhancements to the information system used in your Restaurant including the electronic cash registers, computer hardware, software and other equipment. At such time as we designate the change or enhancement to the information system, you may be required to make certain payments to us or our designated suppliers. You will have six months to install and commence using the changed or enhanced information system. You must acquire the right to use hardware, software, peripheral equipment and accessories, and arrange for installation, maintenance and support services of the initial, changed or enhanced information system all at your cost.

Computer System

You must obtain the computer-based point-of-sale cash register system (currently, Toast with credit card processing hardware from Toast inc. which will generate daily sales sheets, keystroke and void reports, inventory reports, labor/payroll reports, sales statements, schedules and petty cash reports, that we designate in the Operations Manual. We have no obligation to provide ongoing maintenance, repairs, updates or upgrades to the Computer System, however you must purchase Help Desk coverage from the POS company and this will include any updates to the system. You have your choice of maintenance options through the POS company that you must purchase to ensure that your system is functioning properly at all times. You also must update obsolete hardware and software periodically to ensure a secure credit card processing environment. The cost of purchasing the point-of-sale cash register system is $3,500 to $8,500. The annual cost the maintenance contract is approximately $3,600 to $4,740. There may be additional costs for periodic upgrades of the computer system.

We may access the information system and retrieve, analyze, download and use all software, data and files stored or used on the information system. We may access the information system in your Restaurant, from other locations or through any intranet/extranet system we may develop. You must store all data and information that we designate and report data and information in the manner we specify, including through any intranet/extranet system we develop or other online communications. You also must maintain a phone line and modem dedicated for the sole use of allowing our information system to interface and communicate with your information system and you may need to purchase software designated by us for this to occur. You also must have your restaurant connected to the internet using a connection method we approve, currently DSL or Cable modem. You must have an assigned functional and dedicated MILIO'S® e-mail address so that we can send you notices and otherwise communicate with you by this method. You understand that the data storage, phone line, modem, communication software, internet access, internet email account and all additional hardware and software needed to implement and maintain

these services is at your cost. There is no contractual limit on the frequency or cost of your obligation to upgrade or update the system during the term of the franchise.

Site Selection

You select the site for the Restaurant with site selection guidelines we provide. You must verify to us that your site complies with our site selection guidelines. We do not select your site. However, upon your submission of all required information, we will provide you with written confirmation within 30-45 days that we have consent to your selection of your site. You may not proceed to develop a Restaurant on the site unless we have consented to the site. Our identification of, or consent to, a site does not constitute a guarantee, recommendation or assurance as to the success of the site or your Restaurant. The site selection factors considered by us in deciding whether or not to object to the location may include the following: (a) demographics; (b) traffic patterns; (c) visibility; (d) ability to reflect image to be portrayed by MILIO'S businesses and (e) adequacy of signs and image.

If you have not selected a site at the time the Franchise Agreement is signed, you have 90 additional days to do so or we may terminate the Franchise Agreement. If you purchase three franchises concurrently, you will be permitted a greater period of time to select a site and open a Restaurant for the second and third locations that you open. You will sign all three Franchise Agreements at the same time and pay $26,500 at the time of signing ($15,000 for the Initial Franchise Fee for the first restaurant, $6,500 for the first installment of the second restaurant, and $5,000 for the first installment of the third restaurants). You will be required to open your first restaurant within 120 days after the date the Authorized Location is designated. This designation must take place within 90 days of execution of the Franchise Agreement. You will be required to open your second restaurant nine months after the opening of your first restaurant. You will be required to pay an additional $6,500 of the Initial Franchise fee at the time you sign a lease or otherwise secure a site for the Authorized Location of your second restaurant. You will be required to open your third restaurant 18 months after the opening of your first restaurant. You will be required to pay the remaining $5,000 of the Initial Franchise fee at the time you sign a lease or otherwise secure a site for the Authorized Location of your third restaurant. If you enter into multiple Franchise Agreements in order to defer portions of the Initial Franchise Fee, as described in this paragraph, the Initial Franchise Fee is not refundable under any circumstances.

Typical Length of Time Before You Open Your Restaurant

If you purchase a single franchise, the typical length of time between the signing of the Franchise Agreement and the opening of your business is approximately 180 days from the execution of the Franchise Agreement or 150 days after we consent to your site. As stated in the prior section, these deadlines are extended if you purchase three franchises concurrently.

Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Restaurant, meet local requirements, obtain inventory and similar factors. If you fail to begin operations within the stated time, we may terminate the Franchise Agreement. (Franchise Agreement, Section 13B.)

Operations Manual

We will provide you a copy of our Operations Manual which we refer to as our Brand Book. The Brand Book contains proprietary information, and you must keep such information confidential as well as adopt and abide by all system updates as we prescribe. As of the date of this Disclosure Document, the current Brand Book is divided into the following subjects:

BRAND BOOK

Subject	Number of Pages
Emergency	6
Safety	37
Service	19
Food	50
Cleanliness	38
Total	150

Training

Not more than 60 days before the opening of your Restaurant, we will provide the following initial training to you and one other person which you and the other person must complete to our satisfaction:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Accounting/Record Keeping/Franchise Reporting/Marketing	7	0	Our facility in Madison, WI or another location we specify
Pre-Opening Procedures	2	0	Our facility in Madison, WI or another location we specify
Human Resources (outside vendor)	4	0	Webinar provided by Third-Party Provider. Any location with Internet Access.
Point of Sales Cash System (POS)	2	10	TOAST University on-line & a location we specify
Restaurant Operations/Customer Service	0	60	Our facility in Madison, WI or another location we specify
Delivery/Routing/Phone/Catering	0	40	Our facility in Madison, WI or another location we specify
Ordering/Inventory/Product Management	0	10	Our facility in Madison, WI or another location we specify
Food Prep Including Baking and Sandwich Making/Quality Control	0	60	Our facility in Madison, WI or another location we specify

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Safety/Sanitation	0	5	Our facility in Madison, WI or another location we specify
Total	**15**	**185**	

Gerard Helminski oversees the training of franchisees with coordination and facilitation of the training process under the direction of Timm Heller. Gerard has more than 20 years of experience with the MILIO'S businesses. Timm has been an active owner/operator of the MILIO'S business since 2008. Training is conducted with support from seasoned staff who have tenure and operational experience of not less than 12 months. Training is conducted in one of our affiliate locations with a week of overlap support provided onsite in your restaurant. The instructional materials include our Brand Book.

You and one other person in your organization must complete to our satisfaction this training program that lasts approximately 4 weeks. You must pay for the salaries, fringe benefits, travel costs and expenses, and related costs for the person associated with you who attends the training program, but there is no separate fee for you and the other person to attend the initial training program as it is included in the Initial Franchise Fee. We do, however, charge a daily fee of $250 if the training is in Madison or $500 if at your Restaurant, plus expenses for any training that you request in addition to the initial training program. All replacement managers must meet our applicable training requirements before independently running a shift. If we train replacement general managers, you must pay the daily fees as described above for additional training. In addition, we may develop and require you to purchase an in-restaurant training program in order for you to comply with the training requirements. Any training we provide to any of your employees will be limited to training or guidance regarding the delivery of approved products and services to customers in a manner that reflects the customer service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

We may require you to participate in a 3-day training/observation program prior to becoming a franchisee. This will occur at one of our affiliates' restaurants and help you and us to determine whether you have certain characteristics that are important in operating a restaurant. There is no fee for this program, and you will not be an employee or compensated in any way. You will be responsible for your expenses during this program.

We may require you to attend refresher training programs. We will not charge for these programs, but you must pay the travel and living expenses and supply costs for you and your employees. Our training guidelines are outlined in the management training manual.

In addition to management training, you are required to develop and keep at least 1 employee responsible for in-house training. You may train people at your Restaurant if the training is conducted by an individual we have certified and who has successfully completed our training.

ITEM 12
TERRITORY

You receive the right to operate a MILIO'S Restaurant at a specific location described in the Franchise Agreement (your "Authorized Location"). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. We will not, however, during the term of your Franchise Agreement, operate or grant others the right to operate any other MILIO'S restaurant within a specified exclusive geographic area ("Designated Area"), except as generally described in this Item 12 and more fully set forth in the Franchise Agreement. If you commit to open three Restaurants and sign Franchise Agreements for all three Restaurants at the same time as described in Items 1 and 5, each Franchise Agreement will have its own Designated Area, but you do not receive any additional protected or exclusive area or territory.

The criteria used for determining the boundaries of the Designated Area include: the population base; density of population; proximity to a college campus; total student population; growth trends of population; apparent degree of affluence of population; the density of residential and business entities; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas. As a result of these considerations, a Designated Area will have a general trade area with a population base of approximately 12,000-25,000, although the population factor will be less important for restaurants included in areas with high business density. We determine the Designated Area. A written description or a map attached to the Franchise Agreement describes the Designated Area.

You do not have (i) any right to sell products and menu items through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), or at any location other than the Authorized Location, except for authorized catering and delivery services as noted in the Franchise Agreement, or (ii) any right to sell products and menu items to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned restaurants at any time or at any location outside the Designated Area.

During the term of the Franchise Agreement and provided you are in compliance with the terms and conditions of the Franchise Agreement, we will not (i) modify the Designated Area without your written permission, (ii) establish either a company-owned or franchised MILIO'S restaurant in the Designated Area, or (iii) distribute food items or products under the MILIO'S Trademarks through retail outlets in the Designated Area other than MILIO'S restaurants, except for alternative channels of distribution, including without limitation, grocery stores, club stores and convenience stores, or as otherwise reserved in the following paragraph.

We and our affiliates have the right to (a) grant other franchises or develop and operate company or affiliate owned MILIO'S restaurants at any location anywhere outside your Designated Area, (b) offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names through any alternative distribution channel or method within or outside the Designated Area, including grocery stores, community and special events such as state and county fairs, or other similar events or alternative channels of distribution (provided that if we choose not to service a particular

community or special event, we may provide you with written authorization to do so), and (c) offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names at any captive market locations within and outside the Designated Area like sports stadiums, transportation terminals, universities and colleges, or other similar locations (collectively, "Special Sites"), although we will give you a 30-day right of first refusal on any Special Site located within your Designated Area to give you the opportunity to secure the rights to the Special Site. If you do not or cannot secure the rights to the Special Site, then we can develop and operate the Special Site. We and our affiliates also have the right to operate and franchise others to operate restaurants or any other business under trademarks other than the MILIO'S Trademarks at any location or any time within or outside the Designated Area, all without compensation to you.

We and our affiliates have the right outside of the Designated Area to grant other franchises or operate company or affiliate owned MILIO'S restaurants or offer, sell or distribute any products or services associated with the System under the Marks or any other trademarks, all without compensation to any franchisee. We and our affiliates also have the right to operate and franchise others to operate restaurants or any other business within and outside the Designated Area under trademarks other than the MILIO'S Marks, without compensation to any franchisee.

Continuation of your Designated Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. You do not have the right to relocate your Restaurant without our prior written authorization. You do not receive the right to acquire additional franchises within or outside of your Designated Area unless you sign another franchise agreement with us.

ITEM 13
TRADEMARKS

The Franchise Agreement licenses you to use the service mark MILIO'S, as well as other trademarks, service marks, trade names and commercial symbols (collectively, the "Marks"). We and our affiliate also claim common law trademark rights for all of the Marks. We acquired the Marks in October 2020. We have filed or intend to file all required affidavits and renewals for the Marks listed below.

Principal Trademarks	Principal/ Supplemental Register	Registration Date	Registration Number
MILIO'S	Principal	May 31, 2005	2,958,617
MILIO'S SANDWICHES	Principal	May 31, 2005	2,958,616
MILIO'S and Design	Principal	May 31, 2005	2,958,705

Appendix A to your Franchise Agreement identifies the Marks that you are licensed to use. We have the right to change Appendix A from time to time. Your use of the Marks and any goodwill is to our and RSF's exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new Menu Items, new products, new equipment or new

techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no registered patents or copyrights or pending patent applications that are material to the franchise, although we do claim copyright ownership and protection for our MILIO'S Franchise Agreement, operation and training manuals, web site and for various sales, promotional and other materials published from time to time. There are no pending patent applications that are material to the franchised business being sold.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the manuals. Upon termination of your Franchise Agreement,

you must return to us all proprietary information, including but not limited to the manuals and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the manuals at your cost.

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

During the term of the Franchise Agreement, you (if franchisee is an individual) or your General Manager must devote full time and best efforts to the management of the Restaurant. Your General Manager is the individual who has the authority to actively direct your business affairs regarding the Restaurant, is responsible for overseeing the general management of the Restaurant and has authority to sign all contracts.

You or your General Manager must provide direct on-premises supervision to the Restaurant. If you agree to develop multiple Restaurants, each Restaurant must have its own General Manager. The General Manager must complete our training course. They need not have any equity interest in the franchisee. If either you or your General Manager fails to satisfactorily complete the training program, you may designate a different individual. The use of a General Manager in no way relieves you of your obligations to comply with the Agreement and to ensure that the Restaurant is properly operated.

All shareholders, officers, directors, partners, members and all managers and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept. If we so require, your managers and supervisory personnel and other employees receiving training from us must execute covenants not to compete in a form that we approve.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Item 8 of this Disclosure Document describes our requirements for approved supplies and suppliers. You must offer for sale at the Restaurant all of the Menu Items and food and beverage products that we periodically require and you may not offer at the Restaurant any unapproved products or menu items or use the premises for any purpose other than the operation of a Restaurant. We have the unlimited right to change the types of authorized products and services you may offer.

You must not install or maintain on the premises of the Restaurant any newspaper racks, video games, jukeboxes, pay phones, gum machines, games, vending machines, automated teller machines or other similar devices without our prior written approval. You must keep the windows, doors and surfaces of your Restaurant clear of advertisements and promotional material other than material for MILIO'S® restaurants.

You also may not offer for sale any Menu Items or Proprietary Products through the internet or other online programming or advertising. You are not otherwise limited in the customers to whom you may sell products or services.

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.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 4A	Term is 10 years
b.	Renewal or extension of the term	Section 4B	Renewal for two additional terms (each renewal term is 5 years)
c.	Requirements for franchisee to renew or extend	Section 4B	You give us written notice of your decision to renew at least 6 months but not more than 12 months before the end of the expiring term; you sign our then current form of franchise agreement (which may contain materially different terms and conditions than your original agreement); you have complied with the modernization requirements for your Restaurant; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Restaurant premises throughout the renewal term; you comply with our training requirements; and you sign a release.
d.	Termination by franchisee	Section 13C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement (post-term obligations do apply)
e.	Termination by franchisor without cause	None	
f.	Termination by franchisor with cause	Sections 13A and B	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations

	Provision	Section in Franchise Agreement	Summary
g.	"Cause" defined – curable defaults	Sections 13A and B	You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h below
h.	"Cause" defined – non-curable defaults	Sections 13A and B	Non-curable defaults include: abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of Restaurant, insolvency, unapproved assignments or transfers, convictions, intentionally understating or underreporting Gross Sales or other fees, multiple defaults, or failure to cure within 24 hours of notice a default which materially impairs the goodwill associated with any of our Trademarks
i.	Franchisee's obligations on termination/non-renewal	Section 14A-C	Obligations include complete de-identification and payment of amounts due, assignment of lease upon our demand and telephone numbers, return of manuals and proprietary materials and right to purchase assets of the Restaurant (also see o and r below)
j.	Assignment of contract by franchisor	Section 11G	No restriction on our right to assign
k.	"Transfer" by franchisee - defined	Section 11A	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement
l.	Franchisor approval of transfer by franchisee	Section 11B	We have the right to approve all transfers but will not unreasonably withhold approval
m.	Conditions for franchisor approval of transfer	Sections 11B-D	Transferee meets all of our then-current requirements for one of the franchise development programs then being offered, transfer fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, required guarantees signed, necessary financial reports and other data on franchise business is prepared, and release signed by you (also see r below)
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 11F	We can match any offer for your Restaurant assets and, in the case of a proposed stock sale, we can purchase your Restaurant assets at a price determined by an appraiser, unless you and we agree otherwise

	Provision	Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase franchisee's business	Section 14B	Upon termination, we have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant, including the equipment, fixtures, signs, furnishings, supplies, leasehold improvements and inventory. Qualified appraiser(s) will determine price as set forth in the Franchise Agreement
p.	Death or disability of franchisee	Section 11E	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but if assignee is your spouse or child, no transfer fee is required
q.	Non-competition covenants during the term of the franchise	Section 10D	No direct or indirect involvement in the operation of any restaurant or food business that sells or offers to dispense prepared food products that are the same or similar to MILIO'S other than one authorized in the Franchise Agreement
r.	Non-competition covenants after the franchise is terminated or expires	Section 10D	No direct or indirect involvement in a competing business for 1 year (i) at the premises of the former Restaurant, (ii) within 5 miles of the former Restaurant or (iii) within 5 miles of any other business or restaurant using the System
s.	Modification of the Agreement	Section 15B	No modifications generally, but we have the right to change operations manual, list of authorized trademarks and menu.
t.	Integration/merger clause	Section 15B	Only the terms of the Franchise Agreement are binding (subject to state and federal law). Any representations or promises made outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12	Except for certain claims, all disputes must be arbitrated in Madison, Wisconsin (subject to state law); see the state addenda immediately following this Disclosure Document
v.	Choice of forum	Section 15I	Litigation must be in the Federal District Court for the Western District of Wisconsin or in Wisconsin State Circuit Court in the County of Dane, Wisconsin (subject to state law); see the state addenda immediately following this Disclosure Document
w.	Choice of law	Section 15H	Wisconsin law, although any Wisconsin law relating to franchises, dealerships or business opportunities applies only if you are a Wisconsin resident or your Restaurant is located in Wisconsin (also, subject to state law)
x.	Other	Not Applicable	Not Applicable

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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

The Statement below is an unaudited statement of sales, cost of sales and gross margin, as qualified in the Statement. A new franchisee's individual financial results may differ from the results stated in the financial performance representation. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

UNAUDITED STATEMENT OF SALES, COST OF SALES AND GROSS MARGIN

The following statements of certain gross sales, cost of sales, and gross margin averages ("Statement") are based upon store reports for the (i) 12 restaurants operated by our affiliate Milios Subs Forever (MSF) and by our 6 franchised Restaurants for the 13 period calendar from December 26th, 2022 and December 31, 2023 ("2023 Reporting Period"); (ii) 11 restaurants operated by our affiliate Milios Subs Forever (MSF) and by our 6 franchised Restaurants for the 12 period calendar from January 1, 2024 and December 29, 2024 ("2024 Reporting Period"); and (iii) 8 restaurants operated by our affiliate Milios Subs Forever (MSF) and by our 6 franchised Restaurants for the 12 period calendar from December 30, 2024 and December 28, 2025 ("2025 Reporting Period"). These store reports have not been audited for purposes of this Statement. The restaurants are substantially similar to the type of restaurant you will operate under the MILIO'S name.

The historical information in Part I of this Statement is for 12 affiliate-owned restaurants that were open and operating for the full 2023 Reporting Period. The affiliate-owned restaurants include 9 restaurants in strip mall locations and 3 free-standing restaurants. The historical information included in Part II of this Statement is for 6 franchise restaurants, with all of the stores in strip mall locations. The historical information in Part III of this Statement is for 11 affiliate-owned restaurants that were open and operating for the full 2024 Reporting Period. The affiliate-owed restaurants include 8 restaurants in strip mall locations and 3 free-standing restaurants. The historical information included in Part IV of this Statement is for 6 franchise restaurants, with all of the stores located in strip mall locations. One affiliate-owned restaurant was sold and converted into a franchise restaurant during the 2024 Reporting Period and is excluded from Parts III and IV of this Statement. Additionally, one affiliate-owned restaurant permanently closed during the 2024

Reporting Period and is excluded from Part III of this Statement. The historical information in Part V of this Statement is for 8 affiliate-owned restaurants that were open and operating for the full 2025 Reporting Period. The affiliate-owned restaurants include 13 restaurants in strip mall locations and 2 free-standing restaurants. The historical information included in Part VI of this Statement is for 6 franchise restaurants, with all of the stores in strip mall locations.

The Statement provides the following information:

PART I: AFFILIATE-OWNED RESTAURANTS 2023

AVERAGE OF ALL 12 MSF RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Sales	$586,285	100.00%	4 (33%)	$533,027	$999,468	$357,322
Cost of Sales	$161,931	27.62%	6 (50%)	27.59%	30.80%	25.19%
Gross Margin	$424,354	72.38%	4 (33%)	72.41%	74.81%	69.20%

PART II: FRANCHISED RESTAURANTS 2023

AVERAGE OF ALL 6 FRANCHISED RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Sales	$628,926	100.00%	4 (67%)	$644,743	$821,236	$299,843
Cost of Sales	$172,057	27.36%	2 (33%)	27.56%	27.94%	26.40%
Gross Margin	$456,869	72.64%	3 (50%)	72.44%	73.60%	72.06%

PART III: AFFILIATE-OWNED RESTAURANTS 2024

AVERAGE OF ALL 11 MSF RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Sales	$531,671	100.00%	4 (36%)	$461,842	$920,411	$313,313
Cost of Sales	$153,899	28.95%	5 (45%)	29.21%	35.14%	26.07%

AVERAGE OF ALL 11 MSF RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Margin	$377,772	71.05%	4 (36%)	70.79%	73.93%	64.86%

PART IV: FRANCHISED RESTAURANTS 2024

AVERAGE OF ALL 6 FRANCHISED RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Sales	$593,126	100.00%	4 (67%)	$617,793	$790,955	$276,517
Cost of Sales	$166,552	28.08%	3 (50%)	27.98%	31.15%	24.76%
Gross Margin	$426,574	71.92%	4 (67%)	72.02%	75.24%	68.85%

PART V: AFFILIATE-OWNED RESTAURANTS 2025

AVERAGE OF All 8 MSF RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Sales	$ 591,991	100.00%	3 (38%)	$ 545,388	$ 901,190	$ 422,491
Cost of Sales	$ 170,163	28.74%	5 (63%)	28.64%	30.88%	26.84%
Gross Margin	$ 421,828	71.26%	3 (38%)	71.36%	73.16%	69.12%

PART VI: FRANCHISED RESTAURANTS 2025

AVERAGE OF All 6 FRANCHISED RESTAURANTS						
	Average	**% of Gross Sales**	**Number of Restaurants (Percentage) At or Above Average**	**Median**	**High**	**Low**
Gross Sales	$ 608,797	100.00%	3 (50%)	$ 623,469	$ 822,988	$ 333,706
Cost of Sales	$ 169,731	27.88%	4 (67%)	$ 0	$ 0	$ 0
Gross Margin	$ 439,066	72.12%	3 (50%)	$ 1	$ 1	$ 1

For purposes of this Statement, the following definitions apply:

1. **Gross Sales**. Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, including any vending or similar activities in your Restaurant or on its premises. Gross Sales also includes total revenue derived from delivery service, catering or from operating at authorized special events or other authorized off-site sales. Gross Sales does not include sales tax.

2. **Cost of Sales**. The cost of the food products that are sold to consumers and the associated packaging. The food products include ingredients, beverages, and condiments. The associated packaging includes bags, product wraps and containers, other paper products, cups and lids, straws, and eating utensils. Because this Statement is based on unaudited store reports that do not identify each item included in the restaurants' cost of sales, we cannot identify the specific items that each restaurant actually included in its cost of sales calculation.

3. **Gross Margin**. Gross profit remaining after deduction of cost of sales and before any variable or fixed expenses.

Some outlets have sold this amount. Your individual results may differ. There is no assurance you will sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Gerard Helminski 5936 #100 Seminole Centre Ct. Madison WI 53711 and (608) 284-7638, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

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

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	7	6	-1
	2024	6	7	+1
	2025	7	7	0
Company-Owned	2023	12	13	+1
	2024	13	11	-2
	2025	11	8	-3
Totals	2023	19	19	0
	2024	19	18	-1
	2025	18	15	-3

* As of December 31, 2023, December 29, 2024, and December 28, 2025.

Table No. 2
Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor) For Years 2023 to 2025*

State	Year	Number of Transfers
Iowa	2023	0
	2024	1
	2025	0
Wisconsin	2023	1
	2024	1
	2025	2
Total	2023	1
	2024	2
	2025	2

*States not listed had no transfer activity to report. As of December 31, 2023, December 29, 2024, and December 28, 2025.

Table No. 3
Status of Franchised Outlets
For Years 2023 to 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Iowa	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Minnesota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	1	0
Wisconsin[1]	2023	6	0	0	0	1	0	5
	2024	5	0	0	0	0	0	5
	2025	5	2	0	0	0	1	6
Total	2023	7	0	0	0	1	0	6
	2024	6	1	0	0	0	0	7
	2025	7	2	0	0	0	2	7

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time. States not listed had no activity to report. As of December 31, 2023, December 29, 2024, and December 28, 2025.

[1] The store located at 5534 East Park Blvd., Madison, WI purchased by our affiliate; MSF on 9/1/23.

Table No. 4
Status of Company-Owned Outlets For
Years 2023 to 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Iowa	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
	2025	0	0	0	0	0	0
Minnesota	2023	2	0	0	0	0	2
	2024	2	0	0	1	0	1
	2025	1	0	0	0	0	1
Wisconsin	2023	9	0	1	0	0	10
	2024	10	0	0	0	0	10
	2025	10	0	0	1	2	7
Total	2023	12	0	1	0	0	13
	2024	13	0	0	1	1	11
	2025	11	0	0	1	2	8

*States not listed had no activity to report. As of December 31, 2023, December 29, 2024, and December 28, 2025.

Table No. 5
Projected Openings as of December 28, 2025

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
All States	0	0	0
Total	0	0	0

Included in this Franchise Disclosure Document as Exhibit D is a list of all affiliate-owned and franchised Milio's Restaurants in operation as of December 28, 2025.

Except as noted on Exhibit D, no franchise has had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within ten weeks of the date of this Franchise Disclosure Document. 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 any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us. Except for the Milio's FAC described in Item 11, we have not sponsored, created or endorsed any trademark-specific franchise associations.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are our audited financial statements as of December 31, 2023, December 29, 2024, and December 28, 2025, together with the report of independent auditors. Our fiscal year ends on the last Sunday of December each year.

ITEM 22
CONTRACTS

This Disclosure Document includes a sample of the following contracts:

Exhibit C - Franchise Agreement, including Appendices: A-Trademarks; B-Designated Delivery Area; C-Addendum to Lease; D-Electronic Transfer of Funds Authorization; E-Personal Guarantee, F- Ownership and Management Addendum, G- Acknowledgement Addendum and Multi-Unit Addendum

Exhibit E - Confidential Disclosure Agreement

Exhibit F - Form of General Release Agreement

Exhibit G - State Specific Addenda

ITEM 23
RECEIPTS

Attached to this Disclosure Document as Exhibit H is a detachable acknowledgment of receipt.

EXHIBIT A

List of State Agencies and Agents for Service of Process

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

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

WISCONSIN
Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

EXHIBIT B

Financial Statements

Regent Subs Franchise, LLC

Financial Statements and
Independent Auditor's Report

Fiscal Years Ended December 28, 2025 and
December 29, 2024

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Meicher CPAs
2349 Deming Way, Suite 300, Middleton, WI 53562 · Tel 608.826.1900 · Fax 608.826.1901
www.meichercpas.com

Independent Auditor's Report

To the Members
Regent Subs Franchise, LLC
Fitchburg, Wisconsin

Opinion

We have audited the accompanying financial statements of Regent Subs Franchise, LLC ("Company"), which comprise the balance sheets as of December 28, 2025 and December 29, 2024, and the related statements of income and members' equity and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 28, 2025 and December 29, 2024, and the results of its operations and its cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 statements.

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

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

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

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

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

Meicher CPAs, LLP

Middleton, Wisconsin
February 12, 2026

Regent Subs Franchise, LLC

Balance Sheets
December 28, 2025 and December 29, 2024

	2025	2024
Assets		
Current Assets		
Cash	$ 109,879	$ 117,901
Accounts receivable	66,519	62,750
Inventories	11,474	9,878
Prepaid expenses	87	87
Certificate of deposit	13,159	-
Total current assets	201,118	190,616
Noncurrent Assets		
Cash surrender value of life insurance policy	140,107	94,156
Investment	50,000	50,000
Note receivable - related entity	100,000	50,000
Goodwill, net	475	575
Total noncurrent assets	290,582	194,731
Total assets	$ 491,700	$ 385,347

The accompanying notes are an integral part of these financial statements.

	2025	2024
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 25,449	$ 14,536
Accounts payable - related entity	1,551	662
Accrued expenses	7,481	8,630
Deferred revenue - current portion	3,000	-
Total current liabilities	37,481	23,828
Noncurrent Liabilities		
Deferred revenue - less current portion	9,750	-
Total liabilities	47,231	23,828
Members' Equity	444,469	361,519
Total liabilities and members' equity	$ 491,700	$ 385,347

Regent Subs Franchise, LLC

Statements of Income and Members' Equity
Fiscal Years Ended December 28, 2025 and December 29, 2024

	2025	2024
Revenues	$ 752,945	$ 767,622
Operating expenses		
Marketing	322,030	363,147
Salaries, wages and payroll taxes	167,710	136,480
Professional fees	34,740	17,663
Rent	14,592	14,304
Internet and IT services	5,556	5,691
Insurance	4,469	6,285
Donations	1,921	-
Equipment rental	1,575	1,652
Miscellaneous	1,106	539
Travel and meals	855	904
Telephone	420	459
Amortization	100	100
Training	25	462
Franchise expense allocation	(15,254)	(8,519)
Total operating expenses	539,845	539,167
Income from operations	213,100	228,455
Other income (expense):		
Interest income	8,701	3,576
Miscellaneous	1,000	-
Net income	222,801	232,031
Members' equity beginning of period	361,519	257,294
Distributions to members	(139,851)	(127,806)
Members' equity end of period	$ 444,469	$ 361,519

The accompanying notes are an integral part of these financial statements.

Regent Subs Franchise, LLC

Statements of Cash Flows
Fiscal Years Ended December 28, 2025 and December 29, 2024

	2025	2024
Cash Flows from Operating Activities		
Net income	$ 222,801	$ 232,031
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest income from investment	(3,000)	(3,000)
Interest income from certificate of deposit	(159)	-
Life insurance policy premiums in excess of cash surrender value	4,049	5,852
Amortization	100	100
Change in:		
Accounts receivable	(3,769)	12,610
Inventories	(1,596)	(9,878)
Prepaid expenses	-	1,830
Note receivable - related entity	(50,000)	(50,000)
Accounts payable	10,913	(44,888)
Accounts payable - related entity	889	(12,853)
Accrued expenses	(1,149)	(1,963)
Deferred revenue	12,750	-
Net cash provided by operating activities	191,829	129,841
Cash Flows from Investing Activities		
Proceeds from investment	3,000	3,000
Purchase of certificate of deposit	(13,000)	-
Payments for life insurance policy	(50,000)	(50,000)
Net cash used in investing activities	(60,000)	(47,000)
Cash Flows from Financing Activities		
Distributions to members	(139,851)	(127,806)
Net decrease in cash	(8,022)	(44,965)
Cash at beginning of period	117,901	162,866
Cash at end of period	$ 109,879	$ 117,901

The accompanying notes are an integral part of these financial statements.

Regent Subs Franchise, LLC

Notes to Financial Statements
Fiscal Years Ended December 28, 2025 and December 29, 2024

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Regent Subs Franchise, LLC ("Company") is a Wisconsin limited liability company that commenced operations on August 17, 2020. The Company is a franchisor of Milio's Sandwiches stores primarily located in Madison, WI and surrounding areas. The Company provides advertising and other support services to a related entity, Milio's Subs Forever, LLC (see Note 4).

Milio's Subs Forever, LLC owns and operates 8 and 11 stores at December 28, 2025 and December 29, 2024, respectively. The Company has 8 and 7 stores operating under franchise agreements at December 28, 2025 and December 29, 2024, respectively. Of those franchise stores, 8 and 7 are under agreements with outside owners at December 28, 2025 and December 29, 2024, respectively.

Basis of Presentation and Reporting Period

The accompanying financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America.

The Company uses a 52/53-week fiscal year that ends on the last Sunday of the calendar year.

Revenues and Costs Recognition

Revenues and costs are recorded on the accrual basis. The Company earns an initial franchise fee and royalty fees under its franchise agreements. The Company earns ongoing marketing fees from all Milio's Sandwich stores owned by franchisees and Milio's Subs Forever, LLC. The Company also receives rebate revenue from selected vendors utilized by the franchisee stores and Milio's Subs Forever, LLC stores.

Initial franchise fees are earned from pre-opening services. Pre-opening services include, assisting the franchisee with selection of a site, obtaining and preparing facilities, training, advising and information technology services. The Company has elected to use the practical expedient for franchise fees that treat pre-opening services as a single performance obligation. Therefore, franchise fees are recognized as revenue after pre-opening services are provided to the franchisee and the franchise agreement is signed.

Marketing and royalty fees are based on a percentage of sales and are recorded as revenue as the fees are earned and become receivable from the franchisee and/or related entity.

Rebate revenue consists of incentives received by the Company from certain vendors. These incentives are recognized as earned.

Note 1 - Nature of Operations and Significant Accounting Policies (Continued)

Cash Equivalents
The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable are typically due 30 days after the issuance of the invoice. Receivables past due more than 60 days are considered delinquent. The Company does not generally charge interest on past due receivable balances.

The Company follows the provisions of Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 includes an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts.

As of December 28, 2025 and December 29, 2024, management of the Company determined the Company's allowance for credit losses for accounts receivable was zero (see Note 2). If amounts become uncollectible, they are charged to operations in the period in which that determination is made. The Company did not have bad debt expense for the fiscal years ended December 28, 2025 and December 29, 2024.

Inventories
The Company has inventory consisting of uniforms and supplies. Inventories are valued at the lower of cost (specific identification) or net realizable value.

Life Insurance Policy
The Company has a life insurance policy covering one member of the Company. The life insurance policy is reported at the amount that could be realized under the policy at fiscal year-end which includes the cash surrender value and any other amounts realizable.

Certificate of Deposit
The company purchased a certificate of deposit in 2025. The certificate of deposit is recorded at original cost, plus interest earned. Interest income was $159 for the fiscal year ended December 28, 2025.

Note 1 - Nature of Operations and Significant Accounting Policies (Continued)

Investment

The Company has an investment in a residential real estate holding through an outside entity. The investment is reported at fair value based on Level 2 inputs which consist of amounts paid to the outside entity, plus gains (or less losses) reported by the outside entity on the investment, less any draws from the investment account. For the fiscal years ended December 28, 2025 and December 29, 2024, the Company received interest income from the investment totaling $3,000.

Goodwill

The Company amortizes goodwill on a straight-line basis over an estimated useful life of 10 years. Goodwill is reviewed annually for impairment or when events or circumstances indicate the carrying amount may not be recoverable. Management of the Company determined no impairment adjustment was needed for the fiscal years ended December 28, 2025 and December 29, 2024.

Income Taxes

The Company is organized as a limited liability company for federal and state income taxes. Earnings and losses are included in the income tax returns of the members and taxed depending on their tax strategies. Therefore, no provision or liability for income taxes has been included in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was $322,030 and $363,147 for the fiscal years ended December 28, 2025 and December 29, 2024, respectively.

Note 2 - Accounts Receivable

For the fiscal years ended December 28, 2025 and December 29, 2024, the Company's accounts receivable consisted of the following:

	2025	2024
Accounts receivable - related entity	$ 63,138	$ 61,899
Accounts receivable - other	3,381	851
	66,519	62,750
Less: allowance for credit losses	-	-
Accounts receivable, net	$ 66,519	$ 62,750

Note 3 - Revenues

For the fiscal years ended December 28, 2025 and December 29, 2024, the Company's revenues consisted of the following:

	2025	2024
Royalty fees	$ 313,216	$ 314,750
Marketing fees	323,660	352,868
Rebates from vendors	116,069	90,004
Other	-	10,000
Total revenues	$ 752,945	$ 767,622

Note 4 - Related Entity

The Company received marketing fees totaling $187,934 and $225,685 from Milio's Subs Forever, LLC, a related entity, during the fiscal years ended December 28, 2025 and December 29, 2024, respectively. The Company received royalty fees totaling $80,543 and $96,722 from Milio's Subs Forever, LLC during the fiscal years ended December 28, 2025 and December 29, 2024, respectively.

Note 4 - Related Entity (Continued)

The Company had a payable balance due to Milio's Subs Forever, LLC totaling $1,551 and $662 at December 28, 2025 and December 29, 2024, respectively.

As of November 1, 2024, the Company has a note receivable due from Milio's Subs Forever, LLC. The note requires interest-only payments for a to-be-determined period and bears interest at six percent. All outstanding principal and interest are due January 1, 2030. The outstanding balance of the note was $100,000 and $50,000 at December 28, 2025 and December 29, 2024, respectively.

The Company shares office space with Milio's Subs Forever, LLC. During the fiscal years ended December 28, 2025 and December 29, 2024 the Company paid $14,592 and $14,304, respectively, to Milio's Subs Forever, LLC under this shared space arrangement.

Note 5 - Concentrations

The Company maintains cash and cash equivalents with multiple banks. The Company did not have balances in excess of FDIC insurance limits during the fiscal year ended December 28, 2025 and December 29, 2024.

The Company had revenues from one Milio's Sandwich store totaling approximately ten percent of total revenues for the fiscal year ended December 28, 2025. There were no Milio's Sandwich stores that had revenues at or above ten percent of total revenues for the fiscal year ended December 29, 2024.

Note 6 - Subsequent Events

Management has evaluated subsequent events through February 12, 2026, the date on which the financial statements were available to be issued.

Regent Subs Franchise, LLC

Financial Statements and
Independent Auditor's Report

Fiscal Years Ended December 29, 2024 and
December 31, 2023

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Independent Auditor's Report

To the Members
Regent Subs Franchise, LLC
Fitchburg, Wisconsin

Opinion

We have audited the accompanying financial statements of Regent Subs Franchise, LLC ("Company"), which comprise the balance sheets as of December 29, 2024 and December 31, 2023, and the related statements of income and members' equity and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 29, 2024 and December 31, 2023, and the results of its operations and its cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 statements.

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

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

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

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

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

Meicher CPAs, LLP

Middleton, Wisconsin
February 14, 2025

Regent Subs Franchise, LLC

Balance Sheets
December 29, 2024 and December 31, 2023

	2024	2023
Assets		
Current Assets		
Cash	$ 117,901	$ 162,866
Accounts receivable	62,750	75,360
Inventories	9,878	-
Prepaid expenses	87	1,917
Total current assets	190,616	240,143
Noncurrent Assets		
Cash surrender value of life insurance policy	94,156	50,008
Investment	50,000	50,000
Note receivable - related entity	50,000	-
Goodwill, net	575	675
Total noncurrent assets	194,731	100,683
Total assets	$ 385,347	$ 340,826
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 14,536	$ 59,424
Accounts payable - related entity	662	13,515
Accrued expenses	8,630	10,593
Total current liabilities	23,828	83,532
Members' Equity	361,519	257,294
Total liabilities and members' equity	$ 385,347	$ 340,826

The accompanying notes are an integral part of these financial statements.

Regent Subs Franchise, LLC

Statements of Income and Members' Equity
Fiscal Years Ended December 29, 2024 and December 31, 2023

	2024	2023
Revenues	$ 767,622	$ 864,618
Operating expenses		
Marketing	363,147	347,494
Salaries, wages and payroll taxes	136,480	114,984
Professional fees	17,663	44,029
Rent	14,304	14,018
Insurance	6,285	29,839
Internet and IT services	5,691	9,078
Equipment rental	1,652	1,460
Travel and meals	904	4,401
Miscellaneous	539	100
Training	462	1,764
Telephone	459	743
Amortization	100	100
Donations	-	984
Franchise expense allocation	(8,519)	1,210
Total operating expenses	539,167	570,204
Income from operations	228,455	294,414
Other income (expense):		
Interest income	3,576	110
Miscellaneous	-	(2,125)
Net income	232,031	292,399
Members' equity beginning of period	257,294	167,654
Distributions to members	(127,806)	(202,759)
Members' equity end of period	$ 361,519	$ 257,294

The accompanying notes are an integral part of these financial statements.

Regent Subs Franchise, LLC

Statements of Cash Flows
Fiscal Years Ended December 29, 2024 and December 31, 2023

	2024	2023
Cash Flows from Operating Activities		
Net income	$ 232,031	$ 292,399
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest income from investment	(3,000)	-
Life insurance policy premiums in excess of cash surrender value	5,852	29,839
Amortization	100	100
Change in:		
Accounts receivable	12,610	12,662
Inventories	(9,878)	-
Prepaid expenses	1,830	(1,667)
Note receivable - related entity	(50,000)	-
Accounts payable	(44,888)	58,770
Accounts payable - related entity	(12,853)	2,021
Accrued expenses	(1,963)	(301)
Net cash provided by operating activities	129,841	393,823
Cash Flows from Investing Activities		
Proceeds from investment	3,000	-
Payments for life insurance policy	(50,000)	(79,847)
Payment for investment	-	(50,000)
Net cash used in investing activities	(47,000)	(129,847)
Cash Flows from Financing Activities		
Distributions to members	(127,806)	(202,759)
Net (decrease) increase in cash	(44,965)	61,217
Cash at beginning of period	162,866	101,649
Cash at end of period	$ 117,901	$ 162,866

The accompanying notes are an integral part of these financial statements.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Regent Subs Franchise, LLC ("Company") is a Wisconsin limited liability company that commenced operations on August 17, 2020. The Company is a franchisor of Milio's Sandwiches stores primarily located in Madison, WI and surrounding areas. The Company provides advertising and other support services to a related entity, Milio's Subs Forever, LLC (see Note 4).

Milio's Subs Forever, LLC owns and operates 11 and 13 stores at December 29, 2024 and December 31, 2023, respectively. The Company has 7 stores operating under franchise agreements at December 29, 2024 and December 31, 2023. Of those franchise stores, 7 and 6 are under agreements with outside owners at December 29, 2024 and December 31, 2023, respectively. In September 2023, Milio's Subs Forever, LLC purchased one of the Company's franchise stores from an outside owner.

Basis of Presentation and Reporting Period

The accompanying financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America.

The Company uses a 52/53-week fiscal year that ends on the last Sunday of the calendar year.

Revenues and Costs Recognition

Revenues and costs are recorded on the accrual basis. The Company earns an initial franchise fee and royalty fees under its franchise agreements. The Company earns ongoing marketing fees from all Milio's Sandwich stores owned by franchisees and Milio's Subs Forever, LLC. The Company also receives rebate revenue from selected vendors utilized by the franchisee stores and Milio's Subs Forever, LLC stores.

Initial franchise fees are earned from pre-opening services. Pre-opening services include, assisting the franchisee with selection of a site, obtaining and preparing facilities, training, advising and information technology services. The Company has elected to use the practical expedient for franchise fees that treat pre-opening services as a single performance obligation. Therefore, franchise fees are recognized as revenue after pre-opening services are provided to the franchisee and the franchise agreement is signed.

Marketing and royalty fees are based on a percentage of sales and are recorded as revenue as the fees are earned and become receivable from the franchisee and/or related entity.

Rebate revenue consists of incentives received by the Company from certain vendors. These incentives are recognized as earned.

Note 1 - Nature of Operations and Significant Accounting Policies (Continued)

Cash Equivalents
The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable are typically due 30 days after the issuance of the invoice. Receivables past due more than 60 days are considered delinquent. The Company does not generally charge interest on past due receivable balances.

The Company follows the provisions of Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 includes an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts.

As of December 29, 2024 and December 31, 2023, management of the Company determined the Company's allowance for credit losses for accounts receivable was zero (see Note 2). If amounts become uncollectible, they are charged to operations in the period in which that determination is made. The Company did not have bad debt expense for the fiscal years ended December 29, 2024 and December 31, 2023.

Inventories
During fiscal year ended December 29, 2024, the Company added inventory consisting of uniforms and supplies. Inventories are valued at the lower of cost (specific identification) or net realizable value.

Life Insurance Policy
In October 2023, the Company added a life insurance policy covering one member of the Company. The life insurance policy is reported at the amount that could be realized under the policy at fiscal year-end which includes the cash surrender value and any other amounts realizable.

Note 1 - Nature of Operations and Significant Accounting Policies (Continued)

Investment

In December 2023, the Company purchased an investment in a residential real estate holding through an outside entity. The investment is reported at fair value based on Level 2 inputs which consist of amounts paid to the outside entity, plus gains (or less losses) reported by the outside entity on the investment, less any draws from the investment account. For the fiscal year ended December 29, 2024, the Company received interest income from the investment totaling $3,000.

Goodwill

The Company amortizes goodwill of $1,000 added in October 2020 on a straight-line basis over an estimated useful life of 10 years. Goodwill is reviewed annually for impairment or when events or circumstances indicate the carrying amount may not be recoverable. Management of the Company determined no impairment adjustment was needed for the fiscal years ended December 29, 2024 and December 31, 2023.

Income Taxes

The Company is organized as a limited liability company for federal and state income taxes. Earnings and losses are included in the income tax returns of the members and taxed depending on their tax strategies. Therefore, no provision or liability for income taxes has been included in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was $363,147 and $347,494 for the fiscal years ended December 29, 2024 and December 31, 2023.

Note 2 - Accounts Receivable

For the fiscal years ended December 29, 2024 and December 31, 2023, the Company's accounts receivable consisted of the following:

	2024	2023
Accounts receivable - related entity	$ 61,899	$ 75,360
Accounts receivable - other	851	-
	62,750	75,360
Less: allowance for credit losses	-	-
Accounts receivable, net	$ 62,750	$ 75,360

Note 3 - Revenues

For the fiscal years ended December 29, 2024 and December 31, 2023, the Company's revenues consisted of the following:

	2024	2023
Royalty fees	$ 314,750	$ 345,771
Marketing fees	352,868	390,251
Rebates from vendors	90,004	126,596
Other	10,000	2,000
Total revenues	$ 767,622	$ 864,618

Note 4 - Related Entity

The Company received marketing fees totaling $225,685 and $250,330 from Milio's Subs Forever, LLC, a related entity, during the fiscal years ended December 29, 2024 and December 31, 2023, respectively. The Company received royalty fees totaling $96,722 and $105,906 from Milio's Subs Forever, LLC during the fiscal years ended December 29, 2024 and December 31, 2023, respectively.

The Company had a payable balance due to Milio's Subs Forever, LLC totaling $662 and $13,515 at December 29, 2024 and December 31, 2023, respectively.

As of November 1, 2024, the Company has a note receivable due from Milio's Subs Forever, LLC. The note requires interest-only payments for a to-be-determined period and bears interest at six percent. All outstanding principal and interest are due January 1, 2030. The outstanding balance of the note was $50,000 at December 29, 2024. Interest income from the note for the year ended December 29, 2024 was $500.

The Company shares office space with Milio's Subs Forever, LLC. During the fiscal years ended December 29, 2024 and December 31, 2023 the Company paid $14,304 and $14,018 to Milio's Subs Forever, LLC under this shared space arrangement.

Note 5 - Concentrations

The Company maintains cash and cash equivalents with multiple banks. The Company did not have balances in excess of FDIC insurance limits during the fiscal year ended December 29, 2024 and December 31, 2023.

Note 6 - Subsequent Events

Management has evaluated subsequent events through February 14, 2025, the date on which the financial statements were available to be issued.

EXHIBIT C

Franchise Agreement (Including Appendices and Addenda)

MILIO'S® Franchise Agreement

Authorized Location:

_____
Street

_____
City State Zip Code

Effective Date:

_____
(To be completed by Us)

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MILIO'S FRANCHISE AGREEMENT

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MILIO'S FRANCHISE AGREEMENT

This Franchise Agreement is made this ____ day of _____, 20__ between Regent Subs Franchise LLC, a Wisconsin limited liability company with its principal business located at 5936 Seminole Centre Court, #100, Fitchburg, Wisconsin 53711 ("we" or "us"), and _____, a(n) _____ whose principal business address is _____ ("franchisee" or "you"). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners.

RECITALS

A. We and our predecessor and affiliates have developed a unique system for operating restaurants that feature sandwiches, wraps, unique delivery service and other products, beverages and services using certain standards and specifications;

B. Many of the food products are prepared according to specified recipes and procedures;

C. We have the right to sublicense to you the MILIO'S® Trademark and the MILIO'S SANDWICHES® Trademark and other trademarks used in connection with the operation of a MILIO'S restaurant; and

D. You desire to develop and operate a MILIO'S restaurant.

In consideration of the foregoing and the covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. "General Manager" means the individual who (i) personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the Restaurant, (ii) meets our prior restaurant or retail management experience requirements, and (iii) does not participate in the active operation or management of any business other than the Restaurant. The General Manager must be appointed at least 60 days prior to the Restaurant opening, fully trained 20 days prior to the Restaurant opening and is or will be identified on the Ownership and Management Addendum attached to this Agreement.

B. "Gross Sales" includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, including any vending or similar activities in your Restaurant or on its premises whether under any of the Trademarks or otherwise. Gross Sales also includes total revenue

derived from delivery service, catering or from operating at authorized special events or other authorized off-site sales. Gross Sales excludes sales taxes.

C. "Menu Items" means the sandwiches, wraps and other products prepared according to our specified recipes and procedures, as we may modify and change from time to time.

D. "Principal Owner" means any person who directly or indirectly owns a 51% or greater interest in the franchisee when the franchisee is a corporation, limited liability company or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Each franchisee must have at least one Principal Owner. Your Principal Owner(s) are identified on the Ownership and Management Addendum attached to this Agreement as Appendix F. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

E. "Restaurant" means the MILIO'S Restaurant you develop and operate pursuant to this Agreement.

F. "System" means the MILIO'S System, which consists of distinctive food products prepared according to special and confidential recipes and formulas with unique preparation, delivery procedures and service techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures together with sales promotion programs, all of which we may modify and change from time to time.

G. "Trademarks" means the MILIO'S® and MILIO'S SANDWICHES® Trademarks that have been registered with the United States Patent & Trademark Office and the trademarks, service marks and trade names set forth on Appendix A, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Restaurant. Trademarks also means the trade dress, which includes the designs, color schemes and image we authorize you to use in the operation of the Restaurant from time to time.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Authorized Location. We grant to you the right and license to establish and operate a retail Restaurant identified by the MILIO'S Trademarks or such other marks as we may direct, to be located at _____ or a location to be designated within 90 days

from the date of this Agreement (the "Authorized Location"). When a location has been designated and approved by you and us, it will become part of this subparagraph 2.A as if originally stated. If an Authorized Location is not designated within 90 days from the date of this Agreement, we have the right to declare this Agreement null and void without the return of any Initial Franchise Fee or other amounts paid to us. You accept the license and undertake the obligation to operate the Restaurant at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

B. Opening. You agree that the Restaurant will be open and operating in accordance with the requirements of subparagraph 5.A within 120 days after the date the Authorized Location is designated unless we authorize in writing an extension of time.

C. Nonexclusivity; Our Reservation of Rights. The license is limited to the right to develop and operate one Restaurant at the Authorized Location within the Designated Area defined in Appendix B to this Agreement (the "Designated Area"). The license does not include (i) any right to sell products and Menu Items through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), or at any location other than the Authorized Location, except for authorized catering and delivery services as noted in subparagraph 2.D, or (ii) any right to sell products and Menu Items to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned restaurants at any time or at any location outside the Designated Area.

During the term of this Agreement and provided you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Designated Area without your written permission, (ii) establish either a company-owned or franchised MILIO'S restaurant in the Designated Area, or (iii) distribute food items or products under the MILIO'S Trademarks through retail outlets in the Designated Area other than MILIO'S restaurants, except for alternative distribution channels or methods or as otherwise reserved in the following paragraph.

You acknowledge and agree that (i) we and our affiliates have the right to (a) grant other franchises or develop and operate company or affiliate owned MILIO'S restaurants at any location anywhere outside your Designated Area, (b) offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names through any alternative distribution channel or method within or outside the Designated Area, including grocery stores, community and special events such as state and county fairs, or other similar events or alternative channels of distribution (provided that if we choose not to service a particular community or special event, we may provide you with written authorization to do so), and (c) offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names at any

captive market locations within and outside the Designated Area like sports stadiums, transportation terminals, universities and colleges, or other similar locations (collectively, "Special Sites"), although we will give you a 30-day right of first refusal on any Special Site located within your Designated Area to give you the opportunity to secure the rights to the Special Site. If you do not or cannot secure the rights to the Special Site, then we can develop and operate the Special Site, and (ii) we and our affiliates have the right to operate and franchise others to operate restaurants or any other business under trademarks other than the MILIO'S Trademarks at any location or any time within or outside the Designated Area, all without compensation to you.

D. Catering and Delivery. You may engage in catering and delivery services and activities within the Designated Area; provided you comply with the terms and conditions described in Appendix B and our manuals. Except for Special Sites, we and our affiliated companies will not engage in catering and delivery services and activities in the Designated Area; however, we have no obligation to enforce similar covenants against any other franchisee.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our affiliate company's property and it has licensed the use of the Trademarks to us with the right to sublicense to others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our affiliate's valuable property, and it is the owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Restaurant and of the business conducted at the Authorized Location that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our and our affiliate's benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our affiliate company's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Restaurant except those set forth in Appendix A or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality, method and condition of storage, production, preparation and sale, and portion and packaging.

C. Restaurant Identification. You must use the name MILIO'S as the trade name of the Restaurant and you may not use any other mark or words to identify the Restaurant without our prior written consent. You may not use the words MILIO'S or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Trademarks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Trademarks on the materials as we describe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You must post a prominent sign in the Restaurant identifying you as a MILIO'S franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Restaurant and that the MILIO'S Trademark is owned by our affiliate company and your use is under a license we have issued to you.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or ownership of the Trademarks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must pay us for our costs and expenses.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks, you must cease using the former Trademarks and commence using the changed Trademarks, at your expense.

F. Creative Works. All ideas, concepts, techniques, or materials concerning the MILIO'S Restaurant, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement is 10 years. The initial term commences upon the Effective Date of this Agreement. We may extend this initial term in writing for a limited period of time not to exceed 6 months to take into account the term of any applicable lease for the Authorized Location.

B. Renewal Term and Conditions of Renewal. You may renew your license for two renewal terms (each renewal term is 5 years), provided that with respect to each renewal: (i) you have given us written notice of your decision to renew at least 6 months but not more than 12 months prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect no or one additional renewal term upon expiration, as applicable, and other modifications to reflect that the agreement relates to the grant of a renewal), the terms of which may differ from this Agreement, including higher fees; (iii) you have complied with the provisions of subparagraph 5.E regarding modernization; (iv) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (v) if leasing the Restaurant premises (and not subject to relocation under (iii) above), you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; (vi) you comply with our then-current training requirements; and (vii) you and your Principal Owners and guarantors execute a general release of claims in a form we prescribe.

FACILITY STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of MILIO'S restaurants to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Restaurant Facility; Lease. You are responsible for purchasing or leasing a site that meets our site selection guidelines. We must consent to the site in writing. You may not use the Restaurant premises or Authorized Location for any purpose other than the operation of a MILIO'S Restaurant during the term of this Agreement. We make no guarantees concerning the success of the Restaurant located on any site to which we consent.

You may not open your Restaurant for business until we have notified you in writing that you have satisfied your pre-opening obligations as set forth in subparagraphs 5.A and 5.B and we have approved your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses

you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under subparagraph 12.B for your failure to comply with your obligations.

In the event that you enter into any type of lease for the Restaurant premises, you must provide the lease to us and receive our prior written approval of the lease before you execute it. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease for the Restaurant premises. Your lease must contain the Lease Addendum attached as Appendix B. You must provide us a signed copy of the lease and Lease Addendum within 5 days of their execution.

B. Construction; Future Alteration. You must construct and equip the Restaurant in accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, accessory features and design and layout of the building. You may not commence construction of the Restaurant until you have received our written consent to your building plans.

Without limiting the generality of the prior paragraph, you must promptly after obtaining possession of the site for the Restaurant: (i) retain the services of an architect we designate and a contractor we approve; (ii) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our general atmosphere, image and color scheme requirements as set forth from time to time in the Operations Manual for a MILIO'S restaurant (including requirements for dimensions, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating); (iii) complete the equipment, fixtures, furniture and sign installation and construction of the Restaurant in full compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (iv) obtain all customary contractors' sworn statements and partial and final waiver obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and (v) obtain and maintain all required zoning changes, building, utility, health, sanitation, sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions.

Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Restaurant to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have received our prior written consent. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

C. Maintenance. The building, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) employed in the operation of your Restaurant must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon our periodic evaluations of the premises. Within a period of 30-60 days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must affect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and signage. If, however, any condition presents a threat to customers or public health or safety, you must affect the items of maintenance immediately, as further described in subparagraph 6.G.

D. Relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us; provided that the new Restaurant is under construction within 60 days after you discontinue operation of the Restaurant at the Authorized Location and open and operating within 90 days after construction commences, all in accordance with our then-current standards. If you voluntarily decide to relocate the Restaurant, your right to relocate the Restaurant will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than 60 days prior to closing the Restaurant, have procured a site that we accept within 30 days after closing the prior Restaurant, have opened the new Restaurant for business within 90 days of such closure and complied with any other conditions that we reasonably require. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur.

In the event your Restaurant is destroyed or damaged and you repair the Restaurant at the Authorized Location (rather than relocate the Restaurant), you must repair and reopen the Restaurant at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within 120 days of the date of occurrence of the destruction or damage.

You do not have the right to relocate in the event you lose the right to occupy the Restaurant premises because of the cancellation of your lease due to your breach, rather the cancellation of your lease due to your breach is grounds for immediate termination under subparagraph 13.B.2.

E. Modernization or Replacement. From time to time as we require, you must effect items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Restaurant to conform to the standards for similarly situated new MILIO'S restaurants. The maximum cumulative amount (the "Maximum Modernization Amount") that you will be required to spend during the initial term of this Agreement is $100,000. We may adjust the Maximum Modernization Amount every year in proportion to the annual change in the National Consumer Price Index

- All Urban Consumers as reported for each calendar year by the U.S. Department of Labor (or the successor index or agency thereto) using 2023 as the base year, and as so adjusted will apply to the Maximum Modernization Amount, subsequent to the adjustment date but prior to the next adjustment date.

The Maximum Modernization Amount does not include any required expenditures for equipment or leasehold improvements necessary to prepare new product offerings. Furthermore, you must perform general, continued maintenance and refreshing of the Restaurant premises whenever necessary as set forth in subparagraph 5.C and at a cost not included in the Maximum Modernization Amount. Each and every transfer of any interest in this Agreement or your business governed by Paragraph 11 or renewal covered by Paragraph 4 is expressly conditioned upon your compliance with these requirements at the time of transfer or renewal without regard to the Maximum Modernization Amount.

You acknowledge and agree that the requirements of this subparagraph 5.E are both reasonable and necessary to insure continued public acceptance and patronage of MILIO'S restaurants and to avoid deterioration in connection with the operation of the Restaurant. If you fail to make any improvement or perform the maintenance listed above, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

F. Signage. The outdoor signage at your Restaurant must comply with our specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require. Your costs for the signage will be included in the Maximum Modernization Amount under subparagraph 5.E.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Menu. Your business must be confined to the preparation and sale of only such Menu Items and other food and beverage products as we designate and approve in writing from time to time for sale by your Restaurant. You must offer for sale from the Restaurant all items and only those items listed as Menu Items and other approved food and beverage products. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent.

B. Authorized Products and Ingredients. You must use in the operation of the Restaurant and in the preparation of Menu Items and other food and beverage products only the proprietary and non-proprietary ingredients, recipes, formulas,

sandwich-making techniques and processes and supplies, and must prepare and serve Menu Items and products in such portions, sizes, appearance, taste and packaging, all as we specify in our most current product preparation materials or otherwise in writing. We will supply to you a copy of the current product preparation materials prior to opening of the Restaurant. You acknowledge and agree that we may change these periodically and that you are obligated to conform to the requirements. All supplies, including containers, cups, wrapping and napkins, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the Restaurant must at all times maintain an inventory of ingredients, food and beverage products and other products, material and supplies that will permit operation of the Restaurant at sufficient capacity.

C. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved products, inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other items (collectively, "approved supplies") in the Restaurant as set forth in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer of approved supplies. Subject to your right to propose alternative supplies or suppliers as noted below, you acknowledge and agree that certain approved supplies may only be available from one source, and we or our affiliates may be that source. You will pay the then-current price in effect for all such supplies and products that you purchase from us or our affiliates. All inventory, products, materials and other items and supplies used in the operation of the Restaurant that are not included in the approved supplies or approved suppliers lists must conform to the specifications and standards we establish from time to time. ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS.

If you propose to prepare or offer for sale any of the foregoing items for which a list of approved supplies and/or suppliers has then been established by us and your proposed supply or supplier is not on the approved list, you must first notify us and submit sufficient information, specifications, and samples concerning such supply and/or supplier for our determination whether such supply complies with our specifications and standards and/or such supplier meets our approved supplier criteria. The one exception to the alternative sourcing is our right to limit fountain drinks and other soft drink beverages to a single brand, in which case you may purchase such beverages from any distributor of the single source. We will, within a reasonable time, notify you whether or not any proposed supply and/or supplier is approved, and will not unreasonably withhold our approval. We may from time to time prescribe procedures for the submission of requests for approved

supplies or suppliers and obligations which approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). Regardless of whether we approve the request, you must reimburse us for all costs and expenses that we incur in reviewing the alternative supply or supplier for our time spent on the review of the alternative supply or supplier.

Our determination of approved suppliers and brands or supplies will be based on a variety of criteria which may include quality, design, price, insurance, distribution methods, supply considerations and compatibility with the System. We will consider requests for changes or additions to our approved suppliers or supplies in a timely manner and will not unreasonably withhold such approvals. We will respond to any requests to changed approved suppliers and/or brands or supplies within 30 days of notice, as long as we have the opportunity to fully evaluate such approved supplier or supply. If we refuse to change or add an approved supplier or supply suggested by you, we will give you reasons for or disapproval when we notify you of the disapproval.

D. Computer System. You must purchase and use any computer system that we develop or select for the Restaurant, including all future updates, supplements and modifications (the "Computer System"). Any updates, supplements or modifications are not subject to or part of the Maximum Modernization Amount defined in subparagraph 5.E. The Computer System may include all hardware and software used in the operation of the Restaurant, including electronic point-of-sale cash registers and back office programs used to record, analyze and report sales, labor, inventory and tax information. The computer software package developed for use in the Restaurant may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to specifications we develop. We reserve the right to designate a single source from whom you must purchase the Computer System. You shall not use or download any software on your computer unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You acknowledge and agree that we will have full and complete access to information and data entered and produced by the Computer System. You must have at the Authorized Location internet access with a form of high speed connection as we require and you must maintain: (i) an email account for our direct correspondence with the General Manager; and (ii) a separate email account for the Restaurant. You agree that in connection with any credit, debit and/or charge card payments you receive, you will adhere to, and cause any service provider or third party-provided payment applications to adhere to cardholder data security standards according to the then-current PCI (Payment Card Industry) Data Security Standards. You will be responsible for any costs and expenses related to compliance with such standards

and/or related audits. You must provide us with evidence of such compliance at our request. You also must provide notice to us of any potential or actual data security breach relating to cardholder data.

E. Serving and Promotional Items. All sales promotion material, customer goodwill items, wrappers and paper goods and customer convenience items used in the sales promotion, sale and distribution of products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. You must purchase these items from our approved suppliers. We may require you to carry and offer for sale in the Restaurant a representative supply of approved trademarked clothing and other novelty items, including special promotional items that we develop and market from time to time.

F. Health and Sanitation. Your Restaurant must be operated and maintained at all times in compliance with any and all applicable health and sanitary standards prescribed by governmental authority. You also must comply with any standards that we prescribe. In addition to complying with such standards, if the Restaurant is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. In the event you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

G. Evaluations. We or our authorized representative have the right to enter your Restaurant at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your building, land and equipment, and to test, sample, inspect and evaluate your supplies, ingredients and products, as well as the storage, preparation and formulation and the conditions of sanitation and cleanliness in the storage, production, handling and serving. Any failure of an inspection is a default under Section 12.A of this Agreement. Further, if we determine that any condition in the Restaurant presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Restaurant until the situation is remedied to our satisfaction. Our inspections and evaluations may include a "mystery shopper" program from time to time. If you fail any inspection or evaluation, you must pay the costs and expenses of subsequent "mystery shopper" visits. Any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of the Restaurant or to assume any responsibility for your obligations under this Agreement.

H. Period of Operation. Subject to any contrary requirements of local law, your Restaurant must be opened to the public and operated at least 10 hours each day of the year, although you have the option to close your Restaurant on Thanksgiving, Christmas Eve, Christmas Day and Easter. If you close your

Restaurant on a holiday, you must notify your customers of the closing prior to the date. Moreover, and subject to any contrary requirements of local law, your Restaurant must provide delivery service from 11 a.m. to closing. Any variance from the requirements described in this Section 6.H must be authorized by us in writing. You acknowledge and agree that if your Restaurant is closed for a period of 2 consecutive days or 5 or more days (except for the holidays above) in any 12-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement. Acts of God, war, strikes, riots or other force majeure cause preventing you temporarily from complying with the foregoing will suspend compliance for the duration of such interference.

I. Operating Procedures. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in our Operations Manual or other written materials relating to product preparation, menu, storage, uniforms, financial management, equipment, facility and sanitation. We will revise the Operations Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions of retail operation in the best interest of restaurants operating under the Trademarks. Any required standards exist to protect our interests in the System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Trademarks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

You acknowledge having received one copy of the Operations Manual on loan from us for the term of this Agreement. The Operations Manual at all times are our sole property. You must at all times treat the Operations Manual, and the information they contain, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Operations Manual and you expressly agree to comply with each new or changed requirement. You must at all times insure that your copy of the Operations Manual are kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling. You acknowledge and agree that in the future the Operations Manual and other system communications may only be available on the internet or other online or computer communications.

J. Confidential Information. You, the Principal Owners, and the General Manager may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate the Restaurant. For purposes of this Agreement, "Confidential Information" means proprietary information contained in the Operations Manual or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurant. Any and all Confidential Information, including, without limitation, proprietary ingredients, recipes, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Restaurant. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in the franchisee, the Principal Owners, the General Manager and other key employees. You must provide executed copies of these agreements to us upon our request.

K. Vending Services and Solicitation. You must not install or maintain on the premises of the Restaurant any newspaper racks, video games, jukeboxes, pay phones, gum machines, games, vending machines, automated teller machines or other similar devices without our prior written approval. Any income from vending services in the Restaurant or on its premises, regardless of which person or entity collects the money, must be included in Gross Sales for purposes of your Royalty Fee and Marketing Fee. You must have in place and enforce a "no solicitation" policy on the premises of the Restaurant. All windows, doors and surfaces must remain clear of advertisements and promotional material other than approved material for MILIO'S restaurants.

L. Compliance with Law; Licenses and Permits. You must at all times maintain your premises and conduct your Restaurant operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Restaurant.

You acknowledge that you are an independent business and responsible for control and management of your Restaurant, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your MILIO'S business or Restaurant, including any notices of health code violations.

M. Participation in Internet Web Sites or Other Online Communications. We may require you, at your expense, to participate in our MILIO'S web site on the internet, our intranet or extranet system or other online communications as we may require. We have the right to determine the content and use of our web site and intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks or operate any website in connection with the Restaurant. You may not use or reference the Trademarks in any online communication, medium or web site (including, without limitation, all current and future forms of social media networks or platforms) absent our prior written approval. We retain all rights relating to our web site and intranet system and may alter or terminate our web site, extranet system or intranet system. Your general conduct on our web site and intranet or extranet system or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our web site, extranet system or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site and intranet or extranet system, or otherwise use the Trademarks or System on the internet or other online communications, will terminate when this Agreement expires or terminates.

N. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to the requirements of subparagraph 5.E and any other express limitations set forth in this Agreement.

O. Suggested Pricing Policies. You generally have the right to establish prices for the Approved Products and other products and services you sell. We may, from time to time, suggest prices for the Approved Products and other products and services. We reserve the right to modify our System Standards to give us the right to establish prices, both minimum and maximum, subject to applicable law. Any such modification will be in writing. Unless we so modify our System Standards, any list or schedule of prices we furnish to you is a recommendation only and any decision you make to accept or reject the suggestion will not affect the relationship between us.

PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. You must have a General Manager at all times during the term of this Agreement. The General Manager must insure that the Restaurant

is operated in accordance with the terms and conditions of this Agreement, although this in no way relieves you of your responsibilities to do so. Your General Manager also must be readily and continuously available to us. In addition to the General Manager, you must have at least two assistant managers at all times during the term of this Agreement. The General Manager and your assistant managers must attend and successfully complete all required training, as set forth in subparagraphs 7.B and C.

B. Training. You must, at your expense, comply with all of the training requirements we prescribe for the Restaurant to be developed under this Agreement. You must have two people (one of whom must be you) attend training and complete training to our satisfaction. The training requirements may vary depending on your experience and the experience of the General Manager or other factors specific to the Restaurant. In the event you are given notice of default as set forth in subparagraphs 13.A and B and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you and the General Manager, at your expense, comply with the additional training requirements we prescribe. Any new General Manager must comply with our training requirements within a reasonable time as we specify. The training of new General Managers generally occurs at our training facilities in Fitchburg, Wisconsin, but we may schedule your training at a corporate restaurant or other site located closer to you. You may train General Managers or assistant managers at your Restaurant; provided that the training is conducted by an individual who has successfully completed training and is certified by us as a person who is capable of conducting training at your Restaurant. If we train replacement general managers, you must pay the daily fees as described below for additional training. Under no circumstances may you permit management of the Restaurant's operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

C. Ongoing Training. We may require the General Manager and other key employees of the Restaurant to attend, at your expense, ongoing training at our training facility, the Authorized Location or other location we designate. If you request training in addition to the initial training program, you must pay a daily fee of $250 if the training is in Fitchburg or $500 if the training is at your Restaurant, plus expenses. In addition, we may develop and require you to purchase an in-restaurant training program. Any training we provide to any of your employees will be limited to training or guidance regarding the delivery of approved products and services to customers in a manner that reflects the customer service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

D. Staffing. You will employ a sufficient number of competent and trained employees to insure efficient service to your customers. You must require all your employees to work in clean uniforms approved by us, but furnished at your

cost or the employees' cost as you may determine. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Trademarks in any way shifts any employee or employment related responsibility from you to us. You alone are responsible for hiring, firing, training, setting hours for and supervising all employees.

E. Attendance at Meetings. You must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics. If you are not able to attend a meeting or convention, you must so notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting.

MARKETING

8. You agree to actively promote your Restaurant, to abide by all of our advertising requirements and to comply with the following provisions:

A. Marketing Fund. You must pay to us a Marketing Fee as set forth in subparagraph 9.C. All Marketing Fees will be placed in a Marketing Fund that we own and manage. On behalf of our company and affiliate owned restaurants, we will pay the same Marketing Fee as similarly situated franchised restaurants (based on age and type of location) in the same local marketing area. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, we will make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs; although we will not use the Marketing Fund for non-marketing purposes. Because of the methods used, we are not required to spend a prorated amount on each restaurant or in each advertising market. We have the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Marketing Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the advertising functions. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund.

B. Required Local Expenditures, Approved Materials. You must use your best efforts to promote and advertise the Restaurant and participate in any local marketing and promotional programs we establish from time to time. In addition to the Marketing Fee, you must spend at least 1.5% of your Gross Sales on approved local marketing and promotion. Upon our request you must provide us with itemization and proof of marketing and an accounting of the monies that you

have spent for approved local marketing. If you fail to make the required expenditure, we have the right to collect and contribute the deficiency to the Marketing Fund. You must use only such marketing materials (including coupons) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Restaurant or on its premises are subject to our approval.

We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, in good taste and accurately depict the Trademarks. You must use point-of-sale posters or other promotional materials that depict any of the Trademarks only in connection with your sale of approved Menu Items at the Restaurant. Any point-of-sale posters or other promotional materials used by you must be current and in good condition. To that end, we may make available at a reasonable cost to you annually or at other reasonable intervals, and when made available you must purchase, a sales promotion kit containing new point-of-sale and other promotional materials; however, the cost of the sales promotion kit may be included from time to time as determined by us in the Marketing Fee described in subparagraph 9.C.

You must comply with all social media policies that we prescribe from time to time.

C. Marketing Cooperatives. We have the right to designate local advertising markets and if designated, you must direct your local marketing expenditures to the cooperative advertising and marketing programs in your designated local advertising market. Each MILIO'S restaurant within a designated local marketing area is a member of the local advertising group and each Restaurant has one vote on all matters requiring a vote. We reserve the right to designate the bylaws that govern the operation of local marketing groups, although the bylaws cannot modify the voting structure set forth in the prior sentence. If a majority of the restaurants in your designated marketing market votes to spend more than the minimum 1.5% of Gross Sales (as set forth in subparagraph 9.B) on local marketing and promotion within the area, you will be required to participate, but you will not be required to spend more than 3% of Gross Sales for local marketing.

E. Gift Cards, Certificates and Checks. You may be required to use and honor only system-wide gift cards, certificates and checks that we designate. Furthermore, you may be required to obtain all certificates, cards or checks from an approved supplier.

F. Grand Opening Promotion. You must conduct certain advertising and public relations activities in connection with the opening of your Restaurant, as we specify in writing. We require you to spend, in addition to the required local advertising contribution described above, at least $6,000-$10,000 for such grand opening activities.

FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us a nonrefundable Initial Franchise Fee of $15,000. The Initial Franchise Fee, payable in full on the date you sign this Agreement, is earned upon receipt and is in consideration for our expenses incurred and services rendered in granting you the franchise rights.

B. Royalty. In addition to the Initial Franchise Fee, during the full term of this Agreement and in consideration of the rights granted to you, you must pay to us as a Royalty Fee equal to 6% of Gross Sales.

C. Marketing Fee. You must pay to us a weekly Marketing Fee in an amount equal to 3.5% of Gross Sales. We reserve the right to increase the percentage by an additional 1.5% upon 30 days written notice to you. Any increase in the Marketing Fee above 3.5%, however, will result in a corresponding decrease to the 1.5% local marketing requirement, described in subparagraph 9.B. The fees are not held by us in trust and become our property to be spent in accordance with Paragraph 8 of this Agreement.

D. Computations and Remittances. Except for the Initial Franchise Fee, you must compute all amounts due and owing at the end of each week's operation and remittance for the amounts must be made to us on or before the Wednesday of the following week, accompanied by the weekly report required by subparagraph 9.H of this Agreement. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you. Further, if you are delinquent in the payment of any amounts owed to us, we have the right to require you to prepay estimated Royalties and Marketing Fees.

E. Electronic Transfer of Funds. You must sign an electronic transfer of funds authorization, attached as Appendix D, to authorize and direct your bank or financial institution to transfer electronically, on the Wednesday of each week, directly to our account or our affiliates' and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph.

F. Interest Charges; Late Fees. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late Royalty Fee and Marketing Fee payments, you must pay to us a service charge of $50 for each delinquent report or payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (i) we do not receive the payment on or before the date due; or (ii) there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the date due. The service charge is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

G. Financial Planning and Management. You must record daily all sales on a cash register tape or similar device. You must keep books and records and submit reports as we periodically require, including but not limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledger, all of which accurately reflect the operations and condition of your Restaurant operations. You must compile, keep and submit to us the books, records and reports to us on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Restaurant must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than 36 months. You must allow us electronic and manual access to any and all records relating to your Restaurant.

H. Reports and Audit. You must submit your Gross Sales to us in a form and manner we specify. You must verify the accuracy of the Gross Sales figure on Wednesday of each week for the preceding week. Within 10 days after the end of each four week period, you must submit to us a report with respect to the preceding four week period in the form and content as we periodically prescribe. The report must include, but not be limited to, the following information for the preceding four week period: (i) amount of Gross Sales and gross receipts of the Restaurant, amount of sales tax and the computation of the Royalty and the Marketing Fee; (ii) quantities of products purchased and the sources from which each were obtained; (iii) if we request, copies of your most recent sales tax return, sales summary and balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items (iv) if requested by us to verify your Gross Sales, all such books and records as we may require under our audit policies published from time to time. You must submit to us within 30 days of the end of each period, in a form we approve, a balance sheet as of the end of the preceding period and an income statement for the preceding period and the fiscal year-to-date. You must, at your expense, submit to us within

60 days after the end of each fiscal year, an income statement for the fiscal year just ended and a balance sheet as of the last day of the fiscal year. All financial statements shall be prepared in accordance with generally accepted accounting principles ("GAAP") applied on a consistent basis. If we require, the financial statements shall be reviewed or audited by a certified public accountant. You must submit to us any other periodic reports in the manner and at the time we specify in the Operations Manual or otherwise in writing.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Restaurant are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. In the event that any such evaluation or audit reveals any understatement of your Gross Sales, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to 2 years thereafter and any further audits and evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Sales at any time, or if a subsequent audit or evaluation conducted within the 2-year period reveals any understatement of your Gross Sales of 2% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of 14 days from the date of notice of understatement or variance.

We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in subparagraph 11.D.8 or where your information is grouped with similar information from other restaurants to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis.

I. Tax Payments. You will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as the result of our receipt or accrual of the Initial Franchise Fee, the Royalty Fee, the Marketing Fee, or other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you shall pay to us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Restaurant or business; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of the Restaurant or business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Restaurant. You must fully protect, indemnify and hold us and our owners, directors, officers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Restaurant (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs and attorneys' fees immediately upon our request as they are incurred. As between us and you, you are solely responsible for the safety and well-being of your employees and your customers.

It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, if we incur any cost, liability, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such cost, liability, loss and damage.

We waive all claims against you for damages to property or injuries to persons arising out of the operation of our company or affiliate owned restaurants. We must fully protect, indemnify and defend you and your affiliates and hold you and them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of our company or affiliate owned restaurants (regardless of cause or any concurrent or contributing fault or negligence of you) or any breach by us or our failure to comply with the terms and conditions of this Agreement.

C. Insurance. You must purchase and maintain in full force and effect, at your expense and from a company we accept, insurance that insures both you and us, our affiliates and any other persons we designate by name. The insurance policies must include, at a minimum: (i) special/causes of loss coverage forms (sometimes called "All Risk coverage") on the Restaurant and all fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value of the machinery, equipment and improvements, including full coverage for loss of income resulting from damage to the Restaurant without any co-insurance clause, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum 12 months loss of income, including coverage for our Royalty Fees with us named as a loss payee with respect to those fees; (iii) comprehensive general liability insurance, including product liability insurance, with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate; (iv) "Per Location" aggregate limits when multiple restaurant locations are insured under one comprehensive general liability policy; (v) automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of $1,000,000 per claim (vi) workers' compensation and employer's liability insurance covering all of your employees (vii) umbrella liability insurance which also includes employers liability and automobile liability, with minimum limits of $2,000,000 per occurrence; (viii) Regent Subs Franchise LLC, Milios Subs Forever, LLC and affiliates as named additional insureds on all liability policies required by this subparagraph; and (ix) any other such insurance coverages or amounts as required by law or other agreement related to the Restaurant.

The required insurance coverage must commence as of the date the building lease or building purchase agreement has been signed for your Authorized Location. You must deliver to us at commencement and annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show our status as an additional insured (as noted in (viii) above) and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. We also may request copies of all policies. We may modify the required minimum limits from time to time and by written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the MILIO'S system, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge same to you, together with a reasonable fee for the expenses we incur in doing so, payable by you immediately upon notice.

D. Noncompete Covenants. You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term "you" as used in this subparagraph 10.D includes, collectively and individually, all Principal Owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your General Manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this subparagraph 10.D.

2. You covenant that during the term of this Agreement you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any restaurant or food business that sells or offers to dispense prepared food products that are the same as or similar to the type sold in MILIO'S restaurants other than one authorized by this Agreement or any other agreement between us and you.

3. You covenant that you will not, for a period of one year after the expiration or termination of this Agreement, regardless of the cause of termination, or within one year of the sale of the Restaurant or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a restaurant that sells or offers to dispense prepared food products that are the same as or similar to the type sold in MILIO'S restaurants:

a. At the premises of the former Restaurant;

b. Within a 5-mile radius of the former Restaurant; or

c. Within a 5-mile radius of the location of any other business or restaurant using the MILIO'S System, whether franchised or owned by us or our affiliates.

4. You agree that the length of time in subparts (3) or (4) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. Further neither the in-term noncompete in subparagraph 10.D.2 nor the post-term noncompete in subparagraph 10.D.3 shall apply to any 5% or less ownership interest in a publicly traded company that operates restaurant or food businesses.

TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Restaurant. Consequently, neither your interest in this Agreement nor in the Restaurant may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with subparagraph 11.F, and if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in subparagraph 11.C is paid, and the transfer conditions described in subparagraph 11.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Paragraph 11:

1. Any change in the percentage of the franchisee entity owned, directly or indirectly, by the Principal Owner (including any addition or deletion of any person or entity who qualifies as a Principal Owner) which results in the Principal Owner owning less than 51%;

2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

3. For purposes of this subparagraph 11.A, a pledge or seizure of any ownership interests in you or in any Principal Owner that affects the ownership of 25% or more of you or Principal Owner, which we have not approved in advance in writing.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in subparagraph 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in subparagraph 11.C, and satisfy the transfer conditions described in subparagraph 11.D. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Restaurant, or in any communication media or any form of advertising, any information relating to the sale of the Restaurant or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Paragraph 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in subparagraph 11.F must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other required information. The application must indicate whether you or a Principal Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer shall be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in subparagraph 11.C.

C. Transfer Fee. You must pay to us a transfer fee, equal to one-half of the then-current Initial Franchise Fee, at the time you submit an application for consent to transfer. The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Requirements. The assignee must meet all of our then-current requirements for one of the franchise development programs we are offering at the time of the proposed transfer.

2. Payment of Amounts Owed. All amounts owed by you to us or any of our affiliates, your suppliers or any landlord for the Restaurant premises and Authorized Location, or upon which we or any of our affiliates have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with subparagraphs 9.G and H.

4. Modernization. You must have complied with the provisions of subparagraph 5.E.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Principal Owner retaining a security interest or other financial interest in this Agreement or the business operated thereunder, you or such Principal Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. General Release. You, each Principal Owner and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates.

7. Training. The assignee must, at your or assignee's expense, comply with the training requirements of subparagraph 8.B.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Restaurant and its operations as we deem reasonably necessary or appropriate for assignee and/or us to evaluate the Restaurant and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Restaurant and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Restaurant and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

9. Execution of New Franchise Agreement. The assignee must execute our then-current form of franchise agreement and all other agreements, instruments and legal documents then customarily used by us with respect to new franchisees, which may vary materially from the agreements currently in use by us.

10. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If any individual who is a Principal Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a Principal Owner, such person or entity must apply for our consent under subparagraph 11.B, comply with the training requirements of subparagraph 7.B if the Principal Owner also was the General Manager (unless the heir or successor-in-interest finds another Principal Owner to qualify as the General Manager), pay the applicable transfer fee under subparagraph 11.C, and satisfy the transfer conditions under subparagraph 11.D, as in any other case of a proposed transfer, all within 120 days of the death

or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Restaurant still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in subparagraph 11.F.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by subparagraph 11.E or any transfer described in subparagraph 11.A, you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a change in control of the franchisee or a Principal Owner under subparagraphs 11.A.1 through 11.A.3, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Restaurant. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a change in control or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in subparagraph 14.B in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have 45 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 45-day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Paragraph 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this subparagraph 11.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement.

DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Arbitration. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, the parties' relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. Any arbitration will be on an individual basis and not consolidated with any other proceeding involving third parties. The arbitration must take place in Fitchburg, Wisconsin. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators must have at least 5 years experience in franchise law. The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any state or federal court in Wisconsin or the state of the Authorized Location.

B. Injunctive Relief. Notwithstanding subparagraph 12.A above, you recognize that the Restaurant is one of a large number of restaurants identified by the Trademarks and similarly situated and selling to the public similar products, and the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of our breach or threatened breach of any of the terms of this Agreement, you will forthwith be entitled to an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, we and our affiliates have the right to commence a civil action against you or take other appropriate action for the

following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Trademarks; or to permit evaluations or audits authorized by this Agreement.

C. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs.

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Principal Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, conviction of you, a Principal Owner, or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Restaurant or any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this subparagraph 13.B: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have 10 days to cure those defaults; (ii) your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: any material misrepresentation or omission in your franchise application, your voluntary

abandonment of this Agreement or the Authorized Location, the loss of your lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to reopen or relocate under subparagraph 5.D, the closing of the Restaurant by any state or local authorities for health or public safety reasons, any unauthorized use of the Confidential Information, insolvency of you, a Principal Owner, or guarantor, you, a Principal Owner, the guarantor making an assignment or entering into any similar arrangement for the benefit of creditors, conviction of you, any Principal Owners, or guarantors of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Restaurant or any felony, intentionally understating or underreporting Gross Sales, Royalty Fees or Marketing Fees or any understatement or 2% variance on a subsequent audit within a 2 year period under subparagraph 9.H, any unauthorized transfer or assignment in violation of Paragraph 11 or any default by you that is the second same or similar default within any 12-month consecutive period or the fourth default of any type within any 24-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Trademarks, violates any health safety or sanitation law or regulation, violates any system standard as to food handling, cleanliness, health and sanitation, or if the operation of the Restaurant presents a health or safety hazard to your customers or to the public (for example, improper cooking or storage procedures used for meat): (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 60 days after our receipt of your written notice of breach. Your termination of this Agreement under this Paragraph will not release or modify your Post-Term Obligations under Paragraph 14 of this Agreement.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Restaurant (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under subparagraph 10.D, cease all use and display of the Trademarks and of any proprietary material (including the Operations Manual and the product preparation materials) and of all or any portion of point-of-sale materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the Restaurant and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Operations Manual and product preparation materials then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of subparagraph 6.J. You must promptly at your expense and subject to subparagraph 14.B, remove or obliterate all Restaurant signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of the Restaurant as to differentiate the Restaurant unmistakably from duly licensed restaurants identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within 30 days, we have the right to enter the Authorized Location and remove all Restaurant signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant that are owned by you or any of your affiliates including, without limitation, the land, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements and inventory of the Restaurant at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Restaurant's other assets) selected with the consent of both parties,

provided we give you written notice of our preliminary intent to exercise our purchase rights under this Paragraph within 30 days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Authorized Location is located upon petition of either party. The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a MILIO'S Restaurant and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within 45 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Restaurant that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If we do not exercise our option to purchase under this subparagraph, you may sell or lease the Restaurant premises to a third party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of 2 years after the expiration or termination of this Agreement, not to use the premises for the operation of a restaurant business that has a menu or method of operation similar to that employed by our company-owned or franchised restaurants.

C. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the MILIO'S business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify Appendices and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement, together with the addenda and appendices hereto, the Franchise Disclosure Document and the application form executed by you requesting us to enter into this Agreement, constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained herein, in the Franchise Disclosure Document we provided to you in connection with this Agreement and in the aforesaid application.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to Regent Subs Franchise LLC, 5936 Seminole Centre Court, #100, Fitchburg, Wisconsin 53711;

2. If intended for you, addressed to you at _____ _____or at the Authorized Location; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

E. References. If the franchisee is 2 or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. Your spouse and all persons owning 10% or more of a franchisee that is a corporation, partnership, limited liability company or partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes a 10% owner pursuant to the provisions of Paragraph 11 or otherwise must execute the form of Personal Guarantee attached as Appendix E of this Agreement.

G. Successors/Assigns. Subject to the terms of Paragraph 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Paragraph 12 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of Wisconsin. You, however, waive the rights and protections that might be provided through the laws of Wisconsin relating to franchises or dealerships or business opportunities, unless you are a Wisconsin resident or your Restaurant is located in Wisconsin.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We

have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of subparagraph 5.E and other express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Paragraph 12, must be brought in the Federal District Court for the Western District of Wisconsin or in the Wisconsin State Circuit Court in the County of Dane, Wisconsin. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this subparagraph will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

K. Waiver of Punitive Damages. You and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Menu Items and other standards, specifications, and requirements for any franchised restaurant or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such restaurant or store, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard menus, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you goods, products and/or services for use in your Restaurant on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

P. Effective Date. We will designate the "Effective Date" of this Agreement in the space provided on the cover page. If no Effective Date is designated on the cover page, the Effective Date is the date when we sign this Agreement. However, as described in subparagraph 5.A, you do not have the right to, and may not, open and commence operation of a Restaurant at the Authorized Location until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE: (For an Entity)

Date: _____

_____,
a _____
(Please type or print name and type of entity)

By:_____
(Signature of person signing on behalf of entity)

_____
(Please type or print name of person signing on behalf of entity)

Its:_____
(Please type or print title of person signing on behalf of entity

Witness: _____
(Please type or print)

Signature:_____

FRANCHISEE: (For an Individual)

Date:_____

Name:_____
(Please type or print)

Signature:_____

Witness:_____
(Please type or print)

Signature:_____

Date:_____

Name:_____
(Please type or print)

Signature:_____

Witness:_____
(Please type or print)

Signature:_____

US:

REGENT SUBS FRANCHISE LLC

Date:_____

By:_____

Its:_____

Appendix A to the Franchise Agreement

Trademarks

You have the right to use the following Trademarks in accordance with the terms of the Franchise Agreement:

Principal Register of the United States Patent and Trademark Office:

Service Mark:	MILIO'S
Registration No.:	2,958,617
Registration Date:	May 31, 2005

Service Mark:	MILIO'S SANDWICHES
Registration No.:	2,958,616
Registration Date:	May 31, 2005

Service Mark:	MILIO'S and Design
Registration No.:	2,958,705
Registration Date:	May 31, 2005

We may amend this Appendix A from time to time in order to make available additional Trademarks or to delete those Trademarks that become unavailable. You agree to use only those Trademarks that are then currently authorized.

The Trademarks must be used only in the manner that we specify. No deviations will be permitted.

Appendix B to the Franchise Agreement

The Designated Area

As stated in Subparagraph 2.C of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Designated Area in which you may develop a restaurant and perform delivery services is defined as follows: _____

_____

_____

_____

_____

_____

_____

_____

_____

YOU:_____ WE: REGENT SUBS FRANCHISE LLC

By_____ By_____
Its_____ Its_____

Appendix C to the Franchise Agreement

Addendum to Lease

This Lease Addendum ("Addendum"), dated _____, 20___, is entered into between _____("Lessor"), and _____("Lessee").

RECITALS

A. The parties have entered into a Lease Agreement, dated _____, 200__, (the "Lease") for the premises located at _____ (the "Premises").

B. Lessee has agreed to use the Premises only for the operation of a restaurant from the Premises pursuant to a Franchise Agreement (the "Franchise Agreement") with Regent Subs Franchise LLC ("RSF") under the name MILIO'S or other name RSF designates (the "Restaurant").

C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

Lessor and Lessee agree as follows:

1. Remodeling and Decor. Lessor agrees to allow Lessee to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate the Restaurant on the Premises.

2. Assignment. Lessee has the right to assign all of its right, title and interest in the Lease to RSF or RSF's affiliates, at any time during the term of the Lease, including any extensions or renewals, without first obtaining Lessor's consent. No assignment will be effective, however, until RSF or its designated affiliate gives Lessor written notice of its acceptance of the assignment. If RSF elects to assume the lease under this subparagraph or unilaterally assumes the lease as provided for in subparagraphs 3(c) or 4(a), Lessor and Lessee agree that (i) Lessee will remain liable for the responsibilities and obligations, including amounts owed to Lessor, prior to the date of assignment and assumption, and (ii) RSF will have the right to sublease the Premises to another MILIO'S franchisee, provided that Lessor has the right to approve the new franchisee which approval will not be unreasonably withheld. RSF or the affiliate will be responsible for the lease obligations incurred after the effective date of the assignment.

3. Default and Notice.

(a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor agrees to give Lessee and RSF written notice of such default or violation. Lessor agrees to provide RSF the written notice of default as written and on the same day Lessor gives it to Lessee. Although RSF is under no obligation to cure the default, RSF will notify Lessor if it intends to cure the default and unilaterally assume Lessee's interest in the lease as provided in Paragraph 3(c). RSF will have an additional 15 days from the expiration of Lessee's cure period in which to cure the default or violation.

(b) All notices to RSF must be sent by registered or certified mail, postage prepaid, to the following address:

Regent Subs Franchise LLC
5936 Seminole Centre Court, #100
Fitchburg, WI 53711
Attention: President

RSF may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees to notify both Lessee and RSF of any change in Lessor's mailing address to which notices should be sent.

(c) Upon Lessee's default and failure to cure a default under either the Lease or the Franchise Agreement, RSF has the right (but not the obligation) to unilaterally assume Lessee's interest in the lease.

4. Termination or Expiration.

(a) Upon the expiration or termination of the Franchise Agreement, RSF has the right (but not the obligation) to unilaterally assume Lessee's interest in the lease.

(b) Upon the expiration or termination of the Lease, Lessor agrees to cooperate and allow RSF to enter the Premises, no later than 30 days after said expiration or termination and without cost and without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a MILIO'S Restaurant and to make such other modifications as are reasonably necessary to protect the MILIO'S marks and system, and to distinguish the Premises from MILIO'S restaurants. In the event RSF exercises its option to purchase assets of Lessee, Lessor agrees to permit RSF to remove all such assets being purchased by RSF.

5. Consideration; No Liability.

(a) Lessor acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement that Lessee may not lease the Premises without this Addendum.

(b) Lessor acknowledges that Lessee is not an agent or employee of RSF and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind RSF or any affiliate of RSF and that Lessor has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against RSF or any affiliate of RSF.

(c) Nothing contained in this Addendum makes RSF or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of RSF or its affiliates.

6. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained RSF's written consent.

7. Miscellaneous.

(a) RSF is a third party beneficiary of this Addendum.

(b) References to the Lease and to the Franchise Agreement include all amendments, addenda, extensions and renewals to the documents.

(c) References to Lessor, Lessee and RSF include the successors and assigns of each of the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date written above.

LESSEE:	LESSOR:
_____	_____
By: _____	By: _____
Title: _____	Title: _____

Appendix D to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee:_____
Location:_____
Date:_____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Regent Subs Franchise LLC or any affiliated entity (collectively, "RSF"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Continuing Fees, Advertising Fees or other amounts that become payable by the undersigned to RSF. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by RSF.

This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

_____

*** We also need a VOIDED Check ***

Account Name

_____
Bank Name

_____
Branch

_____
Street Address

_____
City State Zip Code

_____
Bank Telephone Number

_____
Bank's Account Number

_____
Customer's Account Number

_____
Street Address

_____
City State Zip Code

_____
Telephone Number

By_____

Its_____

Date_____

Appendix E to the Franchise Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in subparagraph 10.D, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE: _____

PERSONAL GUARANTORS:

_____	_____
Individually	Individually
_____	_____
Print Name	Print Name
_____	_____
Address	Address
_____	_____
City State Zip Code	City State Zip Code
_____	_____

Telephone	Telephone
Individually	Individually
Print Name	Print Name
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone

Appendix F to the Franchise Agreement

OWNERSHIP AND MANAGEMENT ADDENDUM TO
MILIO'S® FRANCHISE AGREEMENT

1. Principal Owner. You represent and warrant to us that the following person or entity, and only the following person or entity, will be your Principal Owner:

Name	Home Address	Percentage of Interest

2. General Manager. You represent and warrant to us that the following person, and only the following person, is your General Manager:

Name	Title	Address

3. Change. You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information. Upon notification, we will issue to you another addendum for you to execute.

4. Effective Date. This Addendum is effective as of this _____ day of _____, 20___.

_____ _____
Your Initials Our Initials

Appendix G to the Franchise Agreement

ACKNOWLEDGMENT ADDENDUM TO MILIO'S® FRANCHISE AGREEMENT

THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISE LOCATION OR STORE TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a MILIO'S® franchise. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) 14 calendar days prior to signing the Franchise Agreement; or (b) if you are a resident of Maryland, New York, or Rhode Island, at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement (or other agreement) or payment of any consideration; or (c) if you are a resident of Michigan, Oregon, Washington or Wisconsin, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration: ☐ Yes. ☐ No.

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes. ☐ No.

3. Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the Disclosure Document receipt you signed (or on any updated receipt we provided to you)? Check one: ☐ Yes. ☐ No.

4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our Disclosure Document will not be binding? Check one: ☐ Yes. ☐ No.

5. Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Check one: ☐ Yes. ☐ No.

6. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the MILIO'S brand and Trademarks and to assist you in the operation of your Business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check one: ☐ Yes. ☐ No.

7. Do you understand that that the franchise granted is for the right to operate a store at the Authorized Location and within the Designated Area only, that, as described in Subparagraph 2.C, we and our

affiliates have the right to (a) issue franchises or operate competing businesses for or at locations, as we determine, outside of your Territory using any trademarks and inside your Territory using any trademarks other than the MILIO'S Marks; (b) offer, sell or distribute through alternative channels of distribution within the Designated Area, any proprietary sauces or similar proprietary products used in the preparation of food products (but not sandwiches); and (c) operate at a Special Site within the Designated Area if you do not exercise your right of first refusal? Check one: ☐ Yes. ☐ No.

8. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Subparagraph 10.D and that an injunction is an appropriate remedy to protect the interest of the MILIO'S system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in subparagraph 10.D, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one: ☐ Yes. ☐ No.

9. Do you understand that we cannot estimate or project the results for any particular MILIO'S restaurant, and that we cannot guarantee, that you will succeed in the operation of your Restaurant, because the most important factors in the success of any MILIO'S restaurant, including the one to be operated by you, are your personal business, marketing, management, judgment and other skills and your willingness to work hard and follow the System. Check one: ☐ Yes. ☐ No.

If you answered "No" to questions 1-9, please explain (attached additional sheets if necessary): _____

_____

_____

_____

_____

_____

_____

_____

10. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: ☐ Yes. ☐ No.

11. Except as stated in Item 19 of our Disclosure Document, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels? Check one: ☐ Yes. ☐ No.

12. Except as stated in Item 19 of our Disclosure Document, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to or different from the information in the Disclosure Document? Check one: ☐ Yes. ☐ No.

If you answered "Yes" to questions 10-12, please explain in detail the claim, representation or statement (attached additional sheets if necessary): _____

_____

_____

_____

_____

_____

_____

_____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____
Print Name:_____
Date:_____

Signed:_____
Print Name:_____
Date:_____

APPROVED ON BEHALF OF REGENT SUBS FRANCHISE LLC

Signed_____
Print Name:_____
Date:_____

By:_____
Title:_____
Date:_____

ADDENDUM TO MILIO'S® FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement ("Addendum"), dated _____, 20___, is entered into between _____("Franchisee"), and Regent Subs Franchise LLC ("Franchisor").

RECITALS

A. The parties have entered into three separate Franchise Agreements, all dated _____, 200__, relating to the development and operation of MILIO'S restaurant franchises in or around the following locations: (1) _____(the "_____ Agreement"), (2) _____(the "_____ Agreement"), (3) _____(the "_____ Agreement");

B. The parties desire to amend the _____ Agreement in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

Franchisor and Franchisee agree that the _____ Agreement is hereby modified, as follows:

1. Paragraph 2.A is deleted in its entirety and replaced with the following:

"A. Authorized Location. We grant to you the right and license to establish and operate a retail Restaurant identified by the MILIO'S Trademarks or such other marks as we may direct, to be located at _____ _____or a location to be designated within _____ from the date of this Agreement (the "Authorized Location"). When a location has been designated and approved by you and us, it will become part of this subparagraph 2.A as if originally stated. If an Authorized Location is not designated within _____ from the date of this Agreement, we have the right to declare this Agreement null and void without the return of any Initial Franchise Fee or other amounts paid to us. You accept the license and undertake the obligation to operate the Restaurant at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement."

2. Paragraph 9.A is deleted in its entirety and replaced with the following:

"A. Initial Franchise Fee. You must pay to us a nonrefundable Initial Franchise Fee of $25,000 for your second Restaurant and $20,000 for your third Restaurant. The Initial Franchise Fee is payable in two installments, as follows: For your second Restaurant, the first installment of $12,500 is due in full on the date you sign the Franchise Agreement, and the second installment of $12,500 is due in full on the date you sign a lease or otherwise secure the site for the Authorized Location (see Paragraph 2.A). For your third Restaurant, the first installment of $10,000 is due in full on the date you sign the Franchise Agreement, and the second installment of $10,000 is due in full on the date you sign a lease or otherwise

secure a site for the Authorized Location (see Paragraph 2.A). In all cases, the Initial Franchise Fee is earned upon your signing of the Franchise Agreement and is in consideration for our expenses incurred and services rendered in granting you the franchise rights."

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

FRANCHISEE: (For an Entity)

Date: _____

_____,
a _____
(Please type or print name and type of entity)

By:_____
(Signature of person signing on behalf of entity)

_____
(Please type or print name of person signing on behalf of entity)

Its:_____
(Please type or print title of person signing on behalf of entity

Witness: _____
(Please type or print)

Signature:_____

FRANCHISEE: (For an Individual)

Date:_____

Name:_____
(Please type or print)

Signature:_____

Witness:_____
(Please type or print)

Signature:_____

Date:_____

Name:_____
(Please type or print)

Signature:_____

Witness:_____
(Please type or print)

Signature:_____

REGENT SUBS FRANCHISE LLC

Date:_____

By:_____

Its:_____

EXHIBIT D

List of Restaurants

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

AFFILIATE-OWNED AND OPERATED LOCATIONS
AS OF DECEMBER 28, 2025

MINNESOTA:

3813 W. 44th Street
Edina, Minnesota 55410
(612) 929-3333

WISCONSIN:

116 Martin Luther King Jr. Blvd.
Madison, Wisconsin 53703
(608) 819-7827

306 Junction Road
Madison, Wisconsin 53717
(608) 826-0123

2145 Regent Street
Madison, Wisconsin 53705
(608) 233-3233

6698 Odana Rd Ste 108
Madison, WI 53719
(608) 827-6750

410 Phillips Blvd. STE B
Sauk City WI 53583
(608) 370-8025

2501 Jackson ST STE 100
Stoughton WI 53589
(608) 480-7155

1011 N. Edge Trail
Verona, Wisconsin 53593
(608) 848-7827

FRANCHISED LOCATIONS
AS OF DECEMBER 28, 2025

IOWA:

AJ Super Subs, LLC
3521 1st Avenue SE
Cedar Rapids, Iowa 52402
(319) 862-2000

WISCONSIN:

AMW, LLC
Josh Westby
462 Commerce Drive, Suite B
Madison, Wisconsin 53719
(608) 826-0011

Task Force, LLC
Timm Heller
2202 East Johnson St.
Madison, Wisconsin 53704
(608) 241-4300

A & I OF MONONA LLC
Zachary Brooks
115 E. Broadway, Suite 102
Monona, Wisconsin 53716
(608) 221-9400

L and T of Verona, LLC
Timm Heller
515 Springdale St
Mount Horeb, Wisconsin 53572
(608) 437-5100

Luna Holdings, LLC
Scott Mooney
242 N. Century Avenue
Waunakee, Wisconsin 53597
(608) 850-3543

Katrinka Subs, LLC
377 E Campus Mall
Madison WI 53715
(608) 720-1711

Katrinka Subs. LLC
407 West Main Street
Sun Prairie, Wisconsin 53590
(608) 825-6700

Franchisees Who Have Signed Franchise Agreements But Were Not Yet Operational
As of December 28, 2025

None

LIST OF FORMER FRANCHISEES
AS OF DECEMBER 28, 2025

MINNESOTA:

EDK Investments, LLC
23480 Highway 7
Shorewood, Minnesota 55331
(952) 474-2020

WISCONSIN:

The Next Place LLC
Patti and Steve Joyce
5534 East Park Blvd.
Madison, Wisconsin 53718
(608) 301-9999

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

EXHIBIT E

Confidential Disclosure Agreement

CONFIDENTIAL DISCLOSURE AGREEMENT

We at Regent Subs Franchise LLC are interested in discussing the possibility of you becoming a franchisee.

It is our intent to share manuals, recipes, drawings, plans, materials, material sources, methods, techniques, processes, records, business plans, market research and other information (collectively, "Proprietary Information") to enable you to decide if you wish to proceed with a MILIO'S® franchise. We wish to maintain the confidentiality of our Proprietary Information.

Your acceptance of the terms of this Confidential Disclosure Agreement indicates that:

1) You agree to maintain as confidential the Proprietary Information and not to copy or try to duplicate the MILIO'S concept;

2) You agree not to disclose the Proprietary Information to any one without our prior written approval;

3) You agree not to design, manufacture, distribute, or sell or assist others in designing, manufacturing, distributing, or selling products or services of any type relating directly to the MILIO'S, services or products without receiving our written approval;

4) You agree not to reproduce any of the Proprietary Information and to return to us all Proprietary Information received by you immediately upon our request.

Upon a breach or threatened breach by you of this Agreement, we are entitled to immediate injunctive relief and any other equitable remedies, as well as all available remedies at law.

If these terms are acceptable to you, please indicate your acceptance by signing below.

Accepted and agreed to this___ day of _____, 20___.

_____
Signature

_____
Print Name

EXHIBIT F

Form of General Release Agreement

Form of General Release Agreement
(Subject to Change by Regent Subs Franchise LLC)

For and in consideration of the Agreements and covenants described below, Regent Subs Franchise LLC ("RSF" or "Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. RSF and Franchisee entered into a MILIO'S® Franchise Agreement dated ___ _____, ____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, RSF and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by RSF.** Except as noted in this Section 4, and subject to your compliance with the terms and conditions of this Agreement, including the payment of $_____ to RSF, RSF, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the "Franchisor Parties"), hereby release and forever discharge Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties") from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement (collectively, "Claims"), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties' failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee's (i) indemnification obligations under Section ___ of the Franchise Agreement, (ii) non-disclosure obligations under Section ___ of the Franchise Agreement, and (iii) post-termination non-compete obligations under Section __ of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

6. **Acknowledgement.** The releases of Claims set forth in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties) to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

7. **Reservation of Claims Against Non-Settling Parties.** RSF and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

9. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

10. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

11. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 20___ REGENT SUBS FRANCHISE SYSTEMS LLC

By_____
Title_____

Dated: _____, 20___ FRANCHISEE:_____

By_____

EXHIBIT G

State Specific Addenda

ADDENDUM TO
MILIO'S®
FRANCHISE AGREEMENT FOR THE
STATE OF WISCONSIN

This Addendum pertains to franchisees in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, Section 13.B of the Agreement pertaining to "Termination by Us" is extended as follows:

> We will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between you and us inconsistent with the Law.

3. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Franchise Investment law or Wisconsin Fair Dealership law (Wisc. Stat. Ch. 135, 553) are met independently without reference to this Addendum.

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

5. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

YOU:_____ WE: REGENT SUBS FRANCHISE, LLC

By_____ By_____
Its_____ Its_____

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
Wisconsin	

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 H

Receipts

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Regent Subs Franchise LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York 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.

Iowa and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Regent Subs Franchise LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is Gerard Helminski, 5936 Seminole Centre Court #100, Fitchburg, WI 53711, (608) 284-7638 and _____.

Issuance Date: April 30, 2026

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated April 30, 2026 (state effective dates are disclosed on the state effective dates page) that included the following Exhibits:

A. List of State Agencies and Agents for Service of Process
B. Financial Statements
C. Franchise Agreement (Including Appendices and Addenda)
D. List of Restaurants
E. Confidential Disclosure Agreement
F. Form of General Release Agreement
G. State Specific Addenda
H. Receipts

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and keep it for your records.

Prospective Franchisee's Copy

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Regent Subs Franchise LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York 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.

Iowa and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Regent Subs Franchise LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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D. List of Restaurants
E. Confidential Disclosure Agreement
F. Form of General Release Agreement
G. State Specific Addenda
H. Receipts

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Regent Subs Franchise LLC, Attn: Gerard Helminski (ghelminski@milios.com), 5936 Seminole Centre Court #100, Fitchburg, WI 53711.

Franchisor's Copy